MINUTES OF REGULAR MONTHLY MEETING OF BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

A regular monthly meeting of the Board of Directors of UNITED ARTISTS CORPORATION was held at the office of the Corporation, 729 Seventh Avenue, New York City, on Tuesday, January 3, 1939, at 2:30 P.M.

There were present the following:

Charles Schwartz
James A. Mulvey
Emanuel Silverstone
Dennis F. O'Brien
Paul D. O'Brien,

constituting the entire Board of Directors.

There were also present:

M. Silverstone, General Manager
H. J. Muller, Treasurer,
Edward C. Raftery, Secretary.

Mr. James Roosevelt, Vice President of Samuel Goldwyn, Inc. was also present.

Mr. Dennis F. O'Brien acted as Chairman of the meeting, and Mr. Edward C. Raftery acted as Secretary thereof.

1. SPANISH PICTURE: The General Manager reported that negotiations had been going on with Fortunio Bona Nova whereby he would produce a picture in Hollywood, in the Spanish language, for distribution through the Corporation in Spanish-speaking, Latin and other foreign territories, the terms of distribution being no less favorable to the Corporation than accorded to its stockholder-producers.

The General Manager had consulted certain of the Directors who had given their approval thereto.

The action of the General Manager was unanimously ratified.

2. FINANCE FOR WALTER WANGER PRODUCTIONS: The General Manager reminded the Board that the loans the Corporation

had made to the Wanger Company had been subrogated to the loans made by the Bank of America to the Wanger Co. Additional finance would be required for the Wanger Co.'s production program for next season. In order to procure such finance it would undoubtedly be necessary to keep the Corporation's loans subrogated to such new finance. The Board was reminded of the fact that the Corporation's agreement with the Wanger Co. binds it to so doing.

Upon motion duly made, seconded and unanimously adopted, it was agreed that in the event of further financing being arranged for the Wanger Company through the medium of the Bank of America, the General Manager and/or the officers of this Corporation are hereby authorized to execute at any time during the calendar year 1939, any and all necessary documents for the subrogation of loans due to the Corporation by the Wanger Company in favor of any future loans on pictures scheduled to be produced in the calendar year 1939 that may be made by the Bank of America and also present loans, provided, however, that such document of subrogation is in a form approved by the General Counsel of the Corporation.

3. COPYRIGHT PROTECTION BUREAU, HAYS ORGANIZATION: The General Manager reported that the proposed budget of the Copyright Protection Bureau of the Hays organization for the calendar year 1939, had been submitted and that the Corporation's share thereof would be $4461.60, payable in weekly instalments of $85.80, being the same amount as the Corporation had paid last year.

Upon motion duly made, seconded and unanimously approved, it was

RESOLVED, that the General Manager be and is hereby authorized to approve such budget as above mentioned on behalf of this Corporation.

4. LEASE - PREMISES OMAHA, NEBR. EXCHANGE: The General Manager reported that United Artists Corporation had executed a lease for two years from March 1, 1939, at $170. per month for its Omaha, Nebraska exchange, being the same rental the Corporation is now paying.

The action of the General Manager was unanimously ratified.

4. ARMAND DENNIS: The General Manager reported that Armand Dennis who produced DARK RAPTURE was desirous of making pictures for distribution by the Corporation and he acquainted the Board with the contents of a letter received in connection therewith.

The matter was tabled and referred to the adjourned meeting of stockholders.

6. ODEON: The General Manager reported that further communications had been received in connection with Odeon and, as heretofore, he had given all such correspondence to Mr. Muller. In view of the importance of recent Odeon developments, he had sent to each Director and Miss Pickford (at the request of her Director) the following:

1. Copy of cable dated Dec. 15,1938, received from Mr. Archibald, which is in reply to our cable of December 14,1938, referred to in the minutes; copies of cables dated December 19 and 23rd received from Mr. Quennell; copy of letter dated December 14,1938, received from Mr. Archibald (enclosures referred to therein given Mr. Muller).

The General Manager further advised the Board of the details of two telephone conversations he and Mr. Muller had had with Mr. Archibald and Mr. Kelly in London; he also read to the Board copy of cable he had received this morning from Mr. Archibald.

After a lengthy discussion by all of the parties present at the meeting, consideration of the matter was tabled for the meeting of stockholders.

7. LETTER FROM MR. GOLDWYN'S ATTORNEYS IN RE ODEON ARREAR FILM RENTALS: The General Manager read to the Board letter dated Dec. 24, 1938, he had received from Messrs. Dwight, Harris, Koegel & Caskey, in connection with arrear film rentals due the Goldwyn Co. from Odeon. The General Manager reported he had referred this letter to the General Counsel of the Corporation, and he likwise reminded the Board of the recent Odeon correspondence, insofar as it was applicable to the subject matter of the above-mentioned letter.

The matter was tabled and referred to the adjourned meeting of stockholders.

8. WILLIAM S. HART APPEAL: The General Manager reported that a bond in the sum of $278,209.99 had been filed by the Corporation in connection with the appeal against a judgment obtained by William S. Hart et al. In view of the large sum involved, it was felt that it might be advisable to engage special counsel to assist General Counsel to argue the appeal.

Upon motion duly made and seconded, it was

RESOLVED, that counsel for the company confer among themselves and recommend to the General Manager and to the directors their selection of special counsel for the handling of said appeal, for the approval of such directors.

9. DIVIDEND FROM ENGLISH COMPANY: Pursuant to the resolution passed by this Board at the last meeting, the General Manager advised he had been in communication with the Corporation's London office in regard thereto, and read to the Board the cables that had been exchanged. He also acquainted the Board with the telephone conversation he and Mr. Muller had had with Mr. Archibald and Mr. Kelly, both of whom recommended that the dividend be declared anyway.

The General Manager, after consulting certain of the Directors and Mr. Muller, had cabled London as follows:

"DIRECTORS DELAWARE RECOMMEND YOU FORTHWITH DECLARE DIVIDEND EQUIVALENT TO SIXTYTHOUSAND POUNDS NET BUT DECLARED IN GROSS FORM PAYABLE BEFORE END THIS YEAR STOP DISREGARD PREVIOUS CABLE THIS SUBJECT".

The General Manager further advised that he had today received the following cable from the London office:

"DIRECTORS OF ENGLISH COMPANY DECLARED ON DECEMBER THIRTIETH INTERIM DIVIDEND OF 1104 PERCENT EQUALLING 82800 POUNDS GROSS LESS TAX 22770 POUNDS MAKING 60030 POUNDS NET (STOP) WILL CREDIT NET DIVIDEND IN DECEMBER AS TO 60018 POUNDS AGAINST ADVANCE OF 300,000 DOLLARS EQUIVALENT 60018 POUNDS MADE IN JANUARY 1938 and AS TO BALANCE 12 POUNDS THROUGH COMMISSION ACCOUNT".

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the action of the General Manager be and is hereby unanimously ratified.

10. RE: ARGENTINE: Mr. Muller reported the following:

"Argentine advises us by cable that Pesos 52,442.92, representing disputed inland Revenue Tax of 20% for 1931 must be paid before December 31st. This sum represents a tax on producers' share of film rentals on pictures imported between April 15, 1931 and January 19, 1932. Dr. Goytia, our attorney in Argentine, will make payment under protest and initiate legal action before the end of this year.

"Because of currency restrictions in Argentine, we deemed it advisable to borrow 53,000 Arg. Pesos. from National City Bank through U. A. South American Corporation by guarantee of United Artists Corporation. The National City Bank, however, requires a resolution of the Board of Directors ratifying the signatures to the Form of Guaranty. It is therefore suggested that the following resolution be passed:

RESOLVED, that the United Artists Corporation hereby guarantees the repayment by U. A. South American Corporation to National City Bank of New York a loan of 53,000 Pesos made by the National City Bank of New York to U. A. South American Corporation.

Be it further

RESOLVED, that the action of the Vice President and Treasurer in signing the National City Bank of New York's Form of Continuing Guaranty of said loan is hereby ratified and approved.

"Because this tax matter dates back to 1931 there is little or no revenue being received on the pictures to which this tax is chargeable. We have exchanged General Releases with Art Cinema Corporation and no recovery could be made from it. We do not have the amounts by producers but the probable producers whose pictures are involved are as follows:

Art Cinema Corporation
Gloria Productions, Inc.
Charles Chaplin Film Corp.

Samuel Goldwyn, Inc.
Inspiration Pictures, Inc.
Gramercy Pictures, Inc.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the action of the General Manager and Treasurer in dealing with the matter as above outlined be and is hereby unanimously ratified, and it was further

RESOLVED, that the above two resolutions as requested by Mr. Muller be and are hereby unanimously approved.

The Treasurer was directed to secure a detailed report as to the amounts of tax which the company feels should be charged against each of the respective producers above named, and the matter could then be considered at the next meeting.

11. PAYMENTS TO HAYS ORGANIZATION: Mr. Muller reported the following payments were made to the Hays Organization at the request of the company's attorneys. Ratification of these payments was requested:

"Thornburg v. Paramount et al.	Balance of legal services and disbursements	$408.74
Indianapolis Amusement Co. v. Metro, et al.	Disbursements	51.47
Gary Theatre Co. v. Columbia, et al.	Disbursements	28.07
Colonial Theatre Enterprises v.Coperative Theatres of Michigan et al.	Legal services	15.21
Boston Anti-Trust Cases	Disbursements	172.50
U.S. v. Interestate, et al.	Disbursements	269.59.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the action of Mr. Muller in having made the above payments is hereby unanimously ratified.

12. REQUEST FROM SAMUEL GOLDWYN INC. FOR ACCELERATION OF PAYMENTS: Mr. Muller reported that the arrangements for the acceleration of payments on Goldwyn pictures expires December 31, 1938. At the request of Mr. Mulvey he canvassed each Director for approval to a continuance of this arrangement until the next meeting of the Board of Directors. Each of the Directors had granted such approval. Samuel Goldwyn, Inc. now wishes

the acceleration arrangement to be continued until June 30, 1939 on all pictures in release for a period of twelve months or less.

It was so moved, seconded and unanimously adopted.

13. LETTER FROM HAL ROACH STUDIOS INC. RE 5% REDUCTION IN CANADA AND IN ENGLAND: The General Manager reported to the Board letter dated December 29, 1938, received from the Hal Roach Studios, Inc. in regard to the reduction of distribution charges in Canada and In England.

The matter was tabled, to be further considered at the meeting of stockholders. Meanwhile, the General Manager was to advise Mr. Huber of the Hal Roach Studios that he would discuss same with him on his arrival in California.

14. PREMISES SALT LAKE CITY: The General Manager advised that he had been informed by Mr. Buckley that the Corporation is moving its present exchange quarters in Salt Lake City from 214 E First South Street to 210 East First South Street. The lease is for a period of three years, commencing January 1, 1939. The rent is $130. a month. The same landlord owns both buildings and the lease for the present quarters, which expires in March, 1939, is cancelled with the execution of the new lease. The rent is the same as the Corporation is now paying, but the quarters are much larger and more desirable in every way. The new quarters are to be reconditioned by the landlord entirely at his expense.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the officers of this corporation be and they are hereby authorized to execute the foregoing lease provided it is in a form approved by the General Counsel of this Corporation.

15. The Treasurer reported that the Company had received from Bank of America a paper entitled "Fourth Supplemental Mortgage, Pledge and Security Agreement", dated December 27, 1938, under which the period for borrowing up to $600,000. on the photoplay "STAGE COACH", being produced by the Wanger Company, is extended from January 1, 1939 to March 1, 1939, together with a subordination agreement upon which the Bank of America requests signature.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that either the General Manager or Vice President or Treasurer of this company, after approval of such document by counsel, are hereby authorized and empowered to sign such authorization agreement.

16. The Treasurer also reported that a certain document or pledge had been received from the Bank of America regarding the Goldwyn pictures. Acceptance of same in writing was required by the Bank. The proper officers were duly authorized to sign.

17. The General Manager reported that he had received a letter from Mr. Fairbanks enclosing an expense account in the sum of $1564.14, in connection with last April's trip to Europe.

The matter was tabled.

There being no further business before the meeting, the same was upon motion duly made and seconded, adjourned.

Edward C. Raftery,
Secretary

NOTICE OF ADJOURNED ANNUAL MEETING OF STOCKHOLDERS OF

UNITED ARTISTS CORPORATION

PLEASE TAKE NOTICE THAT THE ADJOURNED ANNUAL MEETING OF STOCKHOLDERS OF UNITED ARTISTS CORPORATION will be held at the United Artists Studios, Hollywood, California, on January 12, 1939, at 2:00 o'clock in the afternoon, pursuant to the adjournment of the annual meeting of stockholders held on November 18, 1938, and further pursuant to a resolution passed by the Board of Directors of United Artists Corporation at a regular meeting held on December 16,1938.

Dated: N.Y., December 30, 1938.

Paul D. O'Brien,
Assistant Secretary

AFFIDAVIT OF MAILING NOTICES

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

PAUL D. O'BRIEN, being duly sworn, deposes and says: That he is the Assistant Secretary of UNITED ARTISTS CORPORATION, a corporation of the State of Delaware; that on the 30th day of December, 1938, he caused a notice of adjourned annual meeting of stockholders of said corporation, a copy of which is hereto annexed, to be mailed in a sealed wrapper, postage prepaid, addressed to each stockholder of record of said corporation at his post office address as the same appears on the books of the said corporation.

Paul D. O'Brien

SWORN TOBEFORE ME THIS
30TH DAY CF DECEMBER,
1 9 3 8

Notary Public

LIST OF STOCKHOLDERS TO WHOM NOTICES SENT:

The Pickford Corporation
1041 North Formosa Avenue
Hollywood, California

The Elton Corporation
1041 North Formosa Avenue
Hollywood, California

Mr. Charles Chaplin
1416 North La Brea Avenue
Hollywood, California

Mr. Samuel Goldwyn
1041 North Formosa Avenue
Hollywood, California

Mr. Alexander Korda
c/o London Films
22 Grosvenor Street, W.1.
London, England

and

Mr. Alexander Korda
c/o United Artists Studios
1041 North Formosa Avenue
Hollywood, California

P R O X Y

The undersigned shareholder of UNITED ARTISTS CORPORATION, a Delaware corporation, hereby nominates, constitutes and appoints Richard E. Dwight, James Roosevelt, and James A. Mulvey or any one or more of them, the lawful attorneys and attorney proxies and proxy of the undersigned, with full power of substitution and revocation, for and in the name place and stead of the undersigned to attend the meeting of shareholders of said corporation to be held on January 12, 1939, and all adjournments thereof, and at said meeting and all adjournments thereof to vote the shares of stock of said corporation standing in the name of the undersigned, upon any and all questions which may come before such meeting or adjourned meetings, with the same force and effect as if the undersigned were personally present and voting, hereby ratifying and confirming all that my said attorneys or attorney, proxies or proxy may do by virtue hereof.

The undersigned hereby revokes any proxy or proxies heretofore given to vote upon or act with respect to such stock.

Witness the hand and seal of the undersigned this 12th day of January, 1939.

Samuel Goldwyn Jr.

WITNESS:

John P. Hutchins

Los Angeles, California,
January 18, 1939.

TO THE STOCKHOLDERS AND BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION:

I hereby tender my resignation as a Director of the United Artists Corporation to take effect immediately.

Samuel Marx

MINUTES OF ADJOURNED STOCKHOLDERS' MEETING OF

UNITED ARTISTS CORPORATION

The annual meeting of the stockholders of the United Artists Corporation reconvened on Thursday, January 12, 1939, at 2:00 o'clock in the afternoon, at the United Artists Studio, Hollywood, California.

The Secretary of the corporation, Edward C. Raftery, rea d to the meeting a notice sent on the 30th day of December, 1938, by Paul D. O'Brien, Assistant Secretary of the Corporation, which had been sent to all of the stockholders. A copy of the Notice and the Certificate of Mailing said Notice to all of the stockholders had been placed by the Secretary in Minute Book No. 9 of the Corporation.

There were present at the reconvened meeting, the following stockholders:

The Pickford Corporation, by Mary Pickford, Proxy

Samuel Goldwyn

Alexander Korda and London Films, by Alexander Korda, Proxy

The Elton Corporation, by Douglas Fairba nks, Proxy

Charles Chaplin, by Charles Schwartz, Proxy

being all of the stockholders of the corporation.

There were also present the following:

Representing Mr. Goldwyn and Samuel Goldwyn, Inc.:

Richard E. Dwight
James Mulvey
James Roosevelt

Representing Alexander Korda and London Films:

Emanuel Silverstone
Mendel Silberberg

Representing The Elton Corporation:

Neil McCarthy

Representing The Pickford Corporation

Neil A. McKay

There were also present:

M. Silverstone, General Manager of United Artists Corporation

Dennis F. O'Brien, General Counsel for the United Artists Corporation

Edward C. Raftery, Secretary of the Corporation

Miss Pickford continued as Chairman of the meeting. Mr. Raftery acted as Secretary. The meeting was duly called to order by the Chairman, and Miss Pickford acted as Chairman during the entire afternoon session. Mr. Dwight spoke for Samuel Goldwyn and Samuel Goldwyn, Inc., stating that in the opinion of his client, the Board of Directors as presently constituted was not functioning properly, in that it had failed to cooperate with the General Manager, Mr. Silverstone, and had failed to support Mr. Silverstone's management of the

Company; that his client desired to change the personnel of the Board, and in order to do so, he wished the other shareholders to join with his client and create a voting trust, wherein the trustee named therein would designate a new Board of Directors, this to continue for a period of two years. Mr. Goldwyn made a statement in support of his request. The discussion continued generally, in which all of the shareholders present, or their proxies, took part. No motions regarding the Goldwyn request were presented to the meeting, and the meeting, upon motion duly made, seconded and unanimously adopted, was adjourned to Friday, January 13, 1939, at 11:00 o'clock A. M.

Edward C. Rafferty
Secretary

The meeting reconvened on Friday, the 13th, at 11:00 o'clock A. M. The same parties who were present on the previous day were present. Mr. Dwight again urged the Goldwyn request for a voting trust. No motions regarding that or any other business of the company were made at this reconvened session, which adjourned at 12:50 P. M. to 2:30 P. M.

Edward C. Rafferty
Secretary

The meeting reconvened at 2:30 o'clock P. M. at the same place. The same parties were present, with the exception of Miss Pickford, who was unable to attend the afternoon session, and Mr. Neil A. McKay filed with the Secretary, a proxy, given to him by the Pickford Corporation. The proxy was examined and found to be in order and filed with the Minutes of the meeting. Mr. M. Silverstone, General Manager of the Company, acted in the absence of Miss Pickford, as Chairman, with the unanimous approval of all stockholders present. The meeting continued with discussions, but no motions of any kind or character were presented, and the meeting adjourned upon motion duly made, seconded and unanimously carried to Monday, January 16th, to reconvene at 2:00 o'clock P. M. on that day, at the same place.

Edward E Raftery
Secretary

On Monday, January 16th, at 2:00 o'clock P. M., the meeting reconvened. Mr. Silverstone, the General Manager of the Company, in the absence of Miss Pickford, acted as Chairman. Mr. Raftery continued as Secretary. All of the persons listed as present at the meeting of January 12th, were present, with the exception of Miss Pickford, who was unable to attend. In addition, Mr. Clarence Erickson, an officer of the Elton Corporation, was present. It was moved, seconded and unani-

mously adopted, with all five shareholders present voting in the affirmative, that effective as of January 1, 1938, the distribution terms in all of the stockholder-producer contracts, and in the David O. Selznick and Selznick International contract, and in the Walter Wanger Productions, Inc. contract, and in all producer contracts having the favored nation clause for Canada and England shall be 75% to the producer and 25% to the distributor, with all charges usually shared to be divided correspondingly; and that proper officers of the corporation are authorized to execute such document as the general counsel of the corporation will approve, amending the aforesaid respective contracts with the respective producers to evidence the above changes, the period of such modification to be for the period of each respective contract.

Upon motion duly made, seconded and unanimously adopted, all five stockholders present voting in the affirmative, it was:

RESOLVED, that the General Manager be authorized and empowered to negotiate and consummate a modification of the existing distribution contract between the corporation and Edward Small Productions, Ltd. and Edward Small, in effect extending said contract from its original three-year period to September 8, 1945, an eight-year period, and if said extension is secured, then the General Manager is authorized and empowered to modify

the said contract so as to give to the said producer the 75%-25% terms for England and Canada in the same manner as the stockholder-producer and the other producers mentioned in the preceding Resolution; and the proper officers of the corporation are hereby authorized and empowered to execute such documents as will be approved by the general counsel of the corporation as necessary to carry into effect the purpose of this Resolution.

Upon motion duly made, seconded and unanimously adopted, all five stockholders voting in the affirmative, it was:

RESOLVED, that the General Manager, Mr. Maurice A. Silverstone, be authorized and empowered to negotiate and consummate a distribution contract with David O. Selznick and Selznick International Pictures, Inc., for such period of time and for such number of pictures as in the judgment of the General Manager be expedient for the corporation.

The following motion was duly made and seconded:

RESOLVED, that Mr. Korda is hereby authorized and permitted to form a company to be called Korda Productions, Limited, or some similar name, the voting stock of which is to be controlled by him and in which company he will have a substantial

financial interest, and for which company he will be the producer, and that pictures produced either in America or in England by such Company and Korda, will, at the request of Korda, be accepted by United Artists Corporation for all purposes as if they were pictures produced by London Film Productions, Limited, and Korda, for the purposes of distribution agreement of the 2nd of September, 1935, as modified from time to time, and that said company to be so formed shall have the same rights and privileges and obligations under said agreement of the 2nd of September, 1935, as modified from time to time, as are now had by said London Film Productions, Limited, and shall be in all respects substituted for and in the place of said London Film Productions, Limited.

That London Film Productions, Limited, joins in the request of Mr. Korda for such modification.

The foregoing shall not relieve or release Mr. Korda or London Film Productions, Limited, from any of his or its obligations or liability under said agreements, as modified, which obligations and liability shall remain and continue in full force and effect, a nd shall not affect or in any wise modify the requirements

under said agreement relating to the number of pictures to be delivered and the payment of the purchase price for the unit of stock of this company embraced thereunder.

The Chairman called for a vote on the Resolution. The Pickford Corporation voted in the affirmative. The Elton Corporation voted in the affirmative. Charles Chaplin voted in the affirmative. Alexander Korda and London Film Productions, Limited, voted in the affirmative. Samuel Goldwyn voted in the negative. The Chairman declared the motion carried by a vote of four to one.

It was moved and seconded that the proper officers of this corporation enter into an agreement with Douglas Fairbanks or a new corporation he is about to form for the purpose of producing feature motion picture photoplays, and in which he will have a substantial financial interest, and of which photoplays he will either be the producer or the co-producer, upon the same terms and conditions as are now embodied in the existing agreement between the corporation and Douglas Fairbanks and the Elton Corporation; and that the total number of pictures that the corporation is obligated to accept for distribution from Douglas Fairbanks and either the Elton Corporation or the new corporation shall not in the aggregate exceed the total number specified in the Elton Corporation contract with the United Artists Corporation; and further, that the foregoing shall not relieve or release Mr. Fairbanks or the Elton Corporation from any of the

obligations or liability under the said distribution contracts between the United Artists Corporation and the Elton Corporation and Mr. Fairbanks. The Chairman called for a vote on the Resolution. The Pickford Corporation voted in the affirmative. Alexander Korda and London Film Productions, Limited, voted in the affirmative. Charles Chaplin voted in the affirmative. The Elton Corporation voted in the affirmative, making a total of four votes in favor of the Resolution. Mr. Samuel Goldwyn voted in the negative, making a total of one vote opposed to the Resolution. The Chairman declared the motion carried four to one.

The following motion was duly made and seconded:

RESOLVED, that the proper officers of this corporation be, and they are hereby authorized and empowered for, or in the name of, and on behalf of this corporation to enter into either supplemental agreements or new agreements with each of the following, and each for convenience hereinafter referred to as the producer:

Mary Pickford and the Pickford Corporation

Douglas Fairbanks and the Elton Corporation

Douglas Fairbanks or a new corporation he is about to form for the purpose of producing feature motion picture photoplays

Samuel Goldwyn and Samuel Goldwyn, Inc.

Alexander Korda and London Film Productions, Ltd.

Alexander Korda and a new corporation he is about to form for the purpose of producing feature motion picture photoplays

Charles Chaplin

David O. Selznick and Selznick International Pictures, Inc.

Walter Wanger Productions, Inc.

which agreements shall contain substantially the following provisions: Each of the producers and the distributor shall modify the so-called favored nation clause now contained in said producers' contracts, or which shall be included in any new distribution contracts, so that they give the right to the distributor to take on so-called local pictures for local distribution in certain territories outside of the United States of America, upon terms more favorable to the producer of said local pictures than the terms accorded stockholder-producers, et al. For this purpose a local picture is defined as follows:

> An English language picture, produced in the British Empire, and which is not to be distributed by the distributor in the United States of America; it being further understood, however, that the reduced terms shall apply only to the country of origin, that is, a picture taken on for local distribution in the British Isles, if distributed

elsewhere in the British Empire than the British Isles, or in any other place, the reduced terms shall apply only in the British Isles, and not less than stockholder-producer terms shall be paid by said producer in such other part of the so-called British Empire territory or any other place.

A foreign language picture taken on for distribution in the country of origin, the reduced terms shall apply only in the country of origin, and if distributed elsewhere by the corporation than in the country of origin, then not less than stockholder-producer terms shall be paid by said producer for such other distribution.

In addition to the present distribution terms now in force and effect in the above contracts, and subject to the limitations set forth in the following paragraphs, there shall be adopted for a period of three years, commencing as of January 1, 1938, and ending on December 31, 1940, the following new method (known as the Silverstone plan) of calculating additional sums to be paid the producers as an additional producer revenue:

BASIC TERMS DISTRIBUTION EACH PICTURE

U. S. A.
25% to $750,000

2 %	Refund from	$	750,000	to	$1,000,000
3 %	" "		1,000,000	to	1,250,000
5 %	" "		1,250,000	to	1,500,000
7½%	" "		1,500,000	to	1,750,000
10%	On all over		1,750,000		

ENGLAND

25% to $300,000

2 %	Refund from	$300,000	to	$400,000	(£ 60,000 to 80,000)
3 %	" "	400,000	"	500,000	(£ 80,000 to 100,000)
5 %	" "	500,000	"	600,000	(£100,000 to 120,000)
7½%	" "	600,000	"	700,000	(£120,000 to 140,000)
10%	"	on all over		700,000	(on all over £140,000)

The above shall apply to all photoplays delivered to United Artists Corporation by any producer entitled to share in the refunds for the period commencing January 1, 1938 and terminating December 31, 1940, even though a part of the distribution of said photoplays continue after December 31, 1940.

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ADDITIONAL REFUND BASED ON ANNUAL PLAYED AND EARNED.

U. S. A.

2 %	Refund from	$2,000,000	to	$3,000,000	
3 %	" "	3,000,000	"	4,000,000	
5 %	" "	4,000,000	"	5,000,000	
7½%	" "	5,000,000	"	6,000,000	
10%	On all over	6,000,000			

ENGLAND

2 %	Refund from	$ 800,000	to	$1,200,000	(£160,000 to 240,000)
3 %	" "	1,200,000	"	1,600,000	(£240,000 " 320,000)
5 %	" "	1,600,000	"	2,000,000	(£320,000 " 400,000)
7½%	" "	2,000,000	"	2,400,000	(£400,000 " 480,000)
10%	" "	on all over		2,400,000	(on all over £480,000)

The foregoing right to refunds shall cease as of December 31, 1940.

OVERRIDING ADDITIONAL REFUND BASED ON ANNUAL WORLD PLAYED AND EARNED

2%	Refund from	$8,000,000 to $9,000,000
3%	" "	9,000,000 to 10,000,000
5%	" "	on all over 10,000,000

The foregoing right to refunds shall cease as of December 31, 1940.

(a) Should the total "additional" amounts payable in any year to all of the above-mentioned producers and to any other producers entitled to and/or given the amended distribution terms set forth in paragraph 2 hereof exceed 50% of the net annual profits that year of the corporation, then and in that event, the total "additional" amounts payable shall be limited to an aggregate amount equal to 50% of the net profits, provided, however,

(b) Should the net profits be less than $500,000, then and in that event, the total "additional" amounts payable shall be the excess above the sum of $250,000.

(c) In the event of the happening of the contingency under (a) or (b) hereof, there shall be calculated the percentage ratio that the sum available for "additional" amounts payable bears to the total "additional" amounts that would have been payable under paragraph 2 itself; such percentage ratio shall then be applied to the amounts that would have been payable to each participating Producer had the contingency not arisen, and the respective amounts thus ascertained shall be so paid.

(d) Net profits of the corporation shall be those of a consolidated balance sheet and profit and loss account, including all subsidiary companies.

(e) As regards net profits, they shall be ascertained after proper provision and deduction for taxes and contingent liabilities, and such like matters as any prudent man would adopt in the course of carrying on his business.

(f) For the purpose of ascertaining the net profits, capital profits or losses in respect of any investment or asset of the corporation and any interest dividends or annual revenue from any investment or asset of the corporation, are not to be taken into account.

(g) To prevent any dissension between (a) the stockholders amongst themselves, and/or (b) the stockholders and those entitled to participate in the "additional" distribution payments, the decision as to what shall be such net profits shall be left entirely to Messrs. Price, Waterhouse & Co., or any firm of like standing to be chosen by the United Artists Corporation as auditors, and the certificate of any partner of that firm shall be final and conclusive between the parties above mentioned in this clause.

(h) Inasmuch as the accounting will take time, the "additional" amounts payable will not be payable until the 30th day of June in the following calendar year or such later date as the said auditors shall certify the accounts, the said auditors being instructed to use every endeavor to deliver final accounts to the directors of United Artists Corporation by the 31st day of May in each year concerned.

(i) No producer granting or obtaining special territorial or local distribution as distinct from worldwide distribution shall be entitled as regards his special territorial or local films to share in the benefits provided for in the preceding paragraphs.

After the seconding of the motion, Mr. Dwight, on behalf of Mr. Goldwyn, proposed the following amendment to the motion:

That there be eliminated from the proposed motion, the following language:

> "Douglas Fairbanks or a new corporation he is about to form for the purpose of producing feature motion picture photoplays."
>
> "Alexander Korda or a new corporation he is about to form for the purpose of producing feature motion picture photoplays."

That the motion be further amended to eliminate reference to any new contracts.

There being no second to the proposed amendment, the Chair ruled the amendment as failed. The Chairman called for a vote. The Pickford Corporation voted in the affirmative. The Elton Corporation voted in the affirmative. Alexander Korda and London Films voted in the affirmative. Charles Chaplin, by Charles Schwartz, proxy, requested that he be recorded as voting in the following manner:

That he voted in favor of the plan with one modification: that the effective commencement date be January 1, 1939, instead of January 1, 1938.

Samuel Goldwyn voted in the negative.

The Chair declared the motion carried.

Mr. Dwight, on behalf of Mr. Goldwyn, moved that the same identical motion previously voted upon be made with the following elimination therefrom:

> "Douglas Fairbanks or a new corporation he is about to form for the purpose of producing feature motion picture photoplays."
>
> "Alexander Korda or a new corporation he is about to form for the purpose of producing feature motion picture photoplays."

Mr. Dwight further moved that there be eliminated from the previous motion any reference to new contracts. There being no second to the motion, the Chair ruled the motion lost.

It was moved, seconded and unanimously adopted that the present officers of the company make arrangements to transfer to Joseph M. Schenck the life insurance carried

by the company on the life of Mr. Joseph M. Schenck; that Mr. Schenck pay to the company the cash surrender value of the policy on the date of transfer, plus a bonus of $10,000.00.

The General Manager then gave the meeting a very detailed report of the affairs of the company. Among other things, he reported that United Artists, along with practically all other American film distributors, had been forced to withdraw from Italy. That due to regulations there, it was impossible to do business. He made a report regarding the conditions in Spain, particularly in that part of Spain known as "Franco-Spain." He made a report on conditions in France. He furnished the meeting with a synopsis of the new quota legislation in Australia.

He reported that Samuel Goldwyn, Inc., through its attorney, Mr. Richard Dwight, had sometime in December served written notice on United Artists Corporation that it expected United Artists to be held responsible for the Odeon indebtedness; that a considerable amount of money was due on the Goldwyn photoplays from this exhibitor in England. At the same time, he reported that he had just received cabled advice that Odeon had paid £99,000 to United Artists Corporation, representing substantially payment in full of all Odeon's film rentals up to December 31, 1938. The General Manager, therefore, asked Mr. Dwight to withdraw his letter, and Mr. Dwight, on behalf of Mr. Goldwyn, stated the letter was withdrawn.

The General Manager reported that certain negotiations had been had with Twentieth Century-Fox Film Corporation toward a view of operating in South Africa, so that Twentieth Century and United Artists could each have independent distribution in that territory.

In Czechoslovakia, due to unsettled conditions, he wished authority to take such steps as might be best for the interests of the company. Authority was given.

He also reported regarding the photoplays "THE CHALLENGE" and "THE REBEL'S SON", which were being distributed in the British Isles at special terms, and he asked Mr. Goldwyn's representative to withdraw a letter in which Mr. Goldwyn's representative had asked for 17½ percent distribution in England because of "THE CHALLENGE" and "THE REBEL'S SON." Mr. Dwight stated the letter was withdrawn.

He made a detailed report regarding the domestic distribution situation, that contracts had been closed with all the important exhibitors for all of the season's product.

Before completing his report, a motion was made to adjourn. This motion was seconded and carried, and the meeting adjourned to January 18, 1939, 3:00 o'clock P. M., to reconvene at Room 282, Ambassador Hotel, Los Angeles, California.

Secretary

The meeting reconvened on Wednesday, January 18, 1939, at 3:00 o'clock P. M., at Room 282, Ambassador Hotel, Los Angeles, California.

Mr. Silverstone continued as Chairman and Mr. Raftery as Secretary. Mr. Dwight presented to the meeting a proxy signed by Samuel Goldwyn, appointing Richard F. Dwight, James Roosevelt and James A. Mulvey as his proxies. The proxy was examined and found to be in order and filed with the Minutes of the meeting. The parties named by Mr. Goldwyn as proxies attended throughout the entire meeting.

There were present in addition:

The Pickford Corporation, by N. A. McKay, proxy

Alexander Korda and London Films, by Alexander Korda, proxy

The Elton Corporation, by Neil McCarthy, proxy

Charles Chaplin, by Charles Schwartz, proxy

In addition, the following persons were present, all of whom have been previously identified in the Minutes of this annual meeting:

Emanuel Silverstone

Mendel Silberberg

Clarence Erickson

M. Silverstone

Dennis F. O'Brien

Edward C. Raftery

Mr. Raftery read to the meeting, the Minutes of the meetings commencing with the meeting of January 12, 1939,

January 13, 1939, (A. M. and P. M.) and January 16, 1939, and after discussion certain amendments were unanimously agreed upon as to the form of the Minutes. It was moved and seconded that the Minutes be approved as read. The Chairman called for a vote. The Pickford Corporation voted in the affirmative. Alexander Korda and London Film Productions, Ltd. voted in the affirmative. The Elton Corporation voted in the affirmative. Charles Chaplin voted in the affirmative. Samuel Goldwyn voted in the negative. After discussion, Mr. Dwight explained to the meeting that the negative vote of Mr. Goldwyn was only directed to that portion of the Minutes where there had been a dissenting vote filed on behalf of Mr. Goldwyn; that Mr. Goldwyn approved as read all parts of the Minutes where unanimous vote had been recorded.

Mr. Mulvey suggested that the so-called Korda Resolution was not in the form in which it was read at the previous meeting. In view of the suggestion, it was moved and seconded that all motions made at the previous meeting, and as now read by the Secretary, which contained dissenting votes of any shareholder, be re-offered and considered as re-read, and that a vote be called on all of said motions. On the Korda motion, where the vote was four to one, the motion was again put and a vote recorded of four to one. On the Fairbank's Resolution, where the vote was four to one, the motion was again put and a vote recorded of four to one. On the so-called Silverstone plan motion, the

motion was offered, seconded and a vote taken thereon, and the vote was recorded in the same manner as previously-- that is, three in favor without modification, one in favor with modification and one opposed.

It was called to the attention of the meeting that a unanimous Resolution had been passed during the reading of Mr. Silverstone's report, directing the election of the same officers and directors of all of the subsidiaries with the exception of George Schaefer, who had resigned from the company. The Secretary, therefore, recorded that this Resolution had been offered, seconded and unanimously adopted.

It was moved, seconded and unanimously adopted that there be forthwith executed by the proper officers of the corporation an amendatory contract with Hal Roach, giving to Mr. Roach the advantages of the reduction in distribution terms in England and Canada, and the advantage of participating in the Silverstone plan.

It was moved, seconded and unanimously adopted that the proper officers of the company be authorized to execute as part of the new Edward Small Productions, Ltd. contract extending the original terms, the right to participate in the so-called Silverstone plan.

Mr. Silverstone asked authority to make advances, not to exceed $25,000.00 per picture, toward the acquisition for distribution purposes in the Spanish territory of so-called all Spanish talking pictures. The motion was made, seconded and unanimously adopted.

Mr. Silverstone then continued his report on the currency restrictions in foreign countries, the financial status of domestic and foreign distribution, detailed report regarding the activities of Mr. Jack Schlaifer and Mr. Harry Gold, the Sales Managers in charge of domestic distribution, and of the status of the exhibition contracts with the so-called circuits. He also made a detailed report of the production activities of the Wanger Company, both for this season and for next season.

Mr. Silverstone presented to the meeting an expense bill of Mr. Douglas Fairbanks incurred in connection with the London trip of last year, amounting to approximately $1500.00. It was moved, seconded and unanimously adopted that this bill be paid.

Mr. Silverstone then discussed the question of signing six-month contracts with his key men in the domestic distribution field.

At this point, it was moved, seconded and unanimously adopted that the stockholders were well pleased with Mr. Silverstone's services, and wished to extend to him a vote of confidence in his management, and to assure him of their continued support as General Manager of the company.

A motion was made and seconded to express to Mr. O'Brien and Mr. Raftery the appreciation of the shareholders for their loyal and efficient service as attorneys for the company. A similar motion was made and seconded in regard to Mr. Schwartz. The Chair called for a vote, and four voted

in favor thereof. Mr. Goldwyn asked to be excused from voting as their principal was not present.

Mr. James A. Mulvey presented his resignation as a director of the company, which read as follows:

> "I hereby tender my resignation as a Director of the United Artists Corporation to take effect immediately."

The Secretary stated to the meeting that the successor to Mr. Mulvey must be selected by Mr. Goldwyn. Mr. Dwight moved that Mr. Mulvey's resignation be accepted, and that Mr. James Roosevelt be elected in his place to fill the unexpired term. The motion was duly seconded. Before the vote all of the shareholders present expressed to Mr. Mulvey their thanks for his loyal and efficient service during the long tenure of his directorship, and he was respectfully asked and invited to attend all meetings of the directors as long as he remained associated with Mr. Goldwyn. The motions were unanimously adopted.

At 5:45 o'clock P. M., the motion was made, seconded and unanimously carried that the meeting be adjourned.

Edward L. Hyman
Secretary

February 7, 1939.

REGULAR MEETING OF BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION

A regular monthly meeting of the Board of Directors of United Artists Corporation was held at the office of the Corporation, 729, Seventh Avenue, New York City, on Tuesday, February 7, 1939, at 11 A. M.

Mr. Edward C. Raftery, Secretary of the Corporation, was present.

There being no quorum, the meeting was adjourned until Monday, February 13, 1939, at 10:30 A.M., at the same place.

Edward C Raftery
Secretary

February 13, 1939.

MINUTES OF REGULAR MONTHLY MEETING OF BOARD OF DIRECTORS OF

UNITED ARTISTS CORPORATION

The regular monthly meeting of the Board of Directors of United Artists Corporation was held on the 13th day of February, 1939, at 10:30 A. M., at the offices of the Corporation, 729 Seventh Avenue, New York City, pursuant to the adjournment of the meeting of February 7, 1939.

There were present the following:

Charles Schwartz
James Roosevelt
Emanuel Silverstone
Dennis F. O'Brien
Paul D. O'Brien,

constituting all of the directors of the Corporation.

There were also present:

M. Silverstone,	General Manager,
H. J. Muller,	Treasurer,
Edward C. Raftery,	Secretary,
James Mulvey,	of Samuel Goldwyn, Inc.,
Theodore Caruso,	who has been designated by Miss Pickford to succeed Paul D. O'Brien as director of the company after the resignation of Mr. O'Brien.

Mr. Dennis O'Brien acted as Chairman of the meeting and Mr. Edward C. Raftery acted as Secretary thereof.

Mr. James Roosevelt presented to the meeting a statement in writing on behalf of Mr.Goldwyn and Samuel Goldwyn, Inc.,and

asked to have it recorded in the minutes. The statement read as follows:

"At the adjourned annual stockholders' meeting of this Corporation, which was held on January 16, 1939, at United Artists Studio, Hollywood, California, there were adopted three certain resolutions which are hereinafter more particularly described, over the strenuous opposition of Samuel Goldwyn who voted against the adoption of each of them.

Inasmuch as these resolutions will regularly come up for discussion, approval, adoption and to be acted upon at this meeting of the Board of Directors, I wish, on behalf of Samuel Goldwyn and Samuel Goldwyn, Inc., to place on the record of this meeting their and my views with respect to each of the said three resolutions so that this Board may have those views in mind when it undertakes a consideration of any of said resolutions.

The first resolution above referred to is the one which authorized and permitted Mr. Alexander Korda to form a new corporation and which further provided that pictures produced by such new corporation should be accepted by United Artists Corporation for all purposes as if they were pictures produced by London Film Productions, Limited and Korda for the purposes of the distribution agreement dated September 2, 1935, as modified, and which further provided that said new corporation should have the same rights and privileges and obligations under the said distribution agreement of September 2, 1935, as modified, as are now had by London Film Productions, Limited, and that the new corporation should be in all respects substituted for and in the place of said London Film Productions, Limited.

The second resolution above referred to is the one which provided that the proper officers of this corporation should enter into an agreement with Douglas Fairbanks, or a new corporation which he is about to form, upon the same terms and conditions as are now embodied in the existing distribution agreement between United Artists Corporation and Douglas Fairbanks and the Elton Corporation.

The third resolution above above referred to dealt with, among other things, the so-called "Silverstone Plan" and further provided that agreement should be entered into embodying certain provisions not only with the present stockholders of this corporation and their respective corporation which now have distribution agreements with

United Artists Corporation, but also with Douglas Fairbanks and the said new corporation to be formed by him, and also with the said Alexander Korda and the said new corporation to be formed by him.

I desire specifically to call to the attention of the officers and directors of this corporation that the approval of, adoption of, or any favorable action that this Board or any of the officers or directors of this corporation may take with reference to either or both of the said first two resolutions or of the said third resolution (insofar as it deals with the subject matter of the first two resolutions and includes said individuals and said new corporations) constitute and would constitute violations of the terms of the existing agreement between Samuel Goldwyn, Inc., Samuel Goldwyn and United Artists Corporation, dated July 22, 1936, and which was executed as an inducement to and simultaneously with or immediately prior to the execution of the distribution agreement of the same date between Samuel Goldwyn, Inc. and United Artists Corporation and the guarantee of Samuel Goldwyn of the same date relative to said distribution agreement.

On behalf of Samuel Goldwyn and Samuel Goldwyn, Inc., I protest against any such action and request this corporation and its officers and directors to take such steps as may be necessary or proper to prevent any such action or any other action inconsistent with the requirements of strict performance and observance of the provisions of the distribution agreement entered into September 2, 1935, between London Film Productions, Limited, Alexander Korda and United Artists Corporation and the distribution agreement dated July 22, 1936 between the Elton Corporation and United Artists Corporation."

The following motion was duly made, seconded and unanimously adopted: That effective as of January 1, 1938, the distribution terms in all of the stockholder-producer contracts, and in the David O. Selznick and Selznick International contract, and in the Walter Wanger Productions, Inc. contract, and in all producer contracts having the favored nation clause for Canada and England, shall be 75% to the producer and 25% to the distributor, with all charges usually shared to be divided correspondingly; and that proper officers of the corporation are authorized to execute such document as the general counsel of the corporation will approve, amending the aforesaid respective contracts with the respective producers to evidence the above changes.

the period of such modification to be for the period of each respective contract.

Upon motion duly made, seconded and unanimously adopted, all five directors present voting in the affirmative, it was

RESOLVED, that the General Manager be authorized and empowered to negotiate and consummate a modification of the existing distribution contract between the corporation and Edward Small Productions, Ltd and Edward Small, in effect extending said contract from its original three-year period to September 8, 1945, an eight-year period, and if said extension is secured, then the General Manager is authorized and empowered to modify the said contract so as to give to the said producer the 75%-25% terms for England and Canada in the same manner as the stockholder-producer and the other producers mentioned in the preceding Resolution; and the proper officers of the corporation are hereby authorized and empowered to execute such documents as will be approved by the general counsel of the corporation as necessary to carry into effect the purpose of this Resolution.

Upon motion duly made, seconded and unanimously adopted, all five directors voting in the affirmative, it was

RESOLVED, that the General Manager, Mr. Maurice Silverstone, be authorized and empowered to negotiate and consummate a distribution contract with David O. Selznick and Selznick International Pictures, Inc., for such period of time and for such number of pictures as in the judgment of the General Manager be expedient for the corporation.

The following motion was duly made and seconded:

RESOLVED, that Mr. Korda is hereby authorized and permitted to form a company to be called Korda Productions, Limited, or some similar name,

the voting stock of which is to be controlled by him and in which company he will have a substantial financial interest, and for which company he will be the producer, and that pictures produced either in America or In England by such Company and Korda, will, at the request of Korda, be accepted by United Artists Corporation for all purposes as if they were pictures produced by London Film Productions, Limited, and Korda, for the purposes of distribution agreement of the 2nd of September, 1935, as modified from time to time, and that said company to be so formed shall have the same rights and privileges and obligations under said agreement of the 2nd of September, 1935, as modified from time to time, as are now had by said London Film Productions, Limited, and shall be in all respects substituted for and in the place of said London Film Productions, Limited.

That London Film Productions, Limited, joins in the request of Mr. Korda for such modification.

The foregoing shall not relieve or release Mr. Korda or London Film Productions, Limited, from any of his or its obligations or liability under said agreements, as modified, which obligations and liability shall remain and continue in full force and effect, and shall not affect or in any wise modify the requirements under said agreement relating to the number of pictures to be delivered and the payment of the purchase price for the unit of stock of this company embraced thereunder.

Mr. Roosevelt voted in the negative. The other directors voted in the affirmative. The Chairman declared the motion carried by a vote of four to one.

It was moved and seconded that the proper officers of this corporation enter into an agreement with Douglas Fairbanks or a new corporation he is about to form for the purpose of producing feature motion picture photoplays, and in which he will have a substantial financial interest, and of which photoplays he will either be the producer or the co-producer, upon the same terms and conditions as are now embodied in the existing agreement between the corporation and Douglas Fairbanks

and the Elton Corporation; and that the total number of pictures that the corporation is obligated to accept for distribution from Douglas Fairbanks and either the Elton Corporation or the new corporation shall not in the aggregate exceed the total number specified in the Elton Corporation contract with the United Artists Corporation; and further, that the foregoing shall not relieve or release Mr. Fairbanks or the Elton Corporation from any of the obligations or liability under the said distribution contracts between United Artists Corporation and the Elton Corporation and Mr. Fairbanks. The Chairman called for a vote on the resolution. Mr. Roosevelt voted in the negative. The other directors voted in the affirmative. The Chairman declared the motion carried by a vote of four to one.

The following motion was duly made and seconded:

RESOLVED, that the proper officers of this corporation be, and they are hereby authorized and empowered for, or in the name of, and on behalf of this corporation to enter into either supplemental agreements or new agreements with each of the following, and each for convenience hereinafter referred to as the producers:

Mary Pickford and The Pickford Corporation

Douglas Fairbanks and the Elton Corporation

Douglas Fairbanks or a new corporation he is about to form for the purpose of producing feature motion picture photoplays

Samuel Goldwyn and Samuel Goldwyn, Inc.

Alexander Korda and London Film Productions, Ltd.

Alexander Korda and a new corporation he is about to form for the purpose of producing feature motion picture photoplays

Charles Chaplin

David O. Selznick and Selznick Inter-

national Pictures, Inc.

Walter Wanger Productions, Inc.

which agreements shall contain substantially the following provisions: Each of the producers and the distributor shall modify the so-called favored nation clause now contained in said producers' contracts, or which shall be included in any new distribution contracts, so that they give the right to the distributor to take on so-called local pictures for local distribution in certain territories outside of the United States of America, upon terms more favorable to the producer of said local pictures than the terms accorded stockholder-producers, et al. For this purpose a local picture is defined as follows:

An English language picture, produced in the British Empire, and which is not to be distributed by the distributor in the United States of America; it being further understood, however, that the reduced terms shall apply only to the country of origin, that is, a picture taken on for local distribution in the British Isles, if distributed elsewhere in the British Empire than the British Isles, or in any other place, the reduced terms shall apply only in the British Isles, and not less than stockholder-producer terms shall be paid by said producer in such other part of the so-called British Empire territory or any other place.

A foreign language picture taken on for distribution in the country of origin; the reduced terms shall apply only in the country of origin, and if distributed elsewhere by the corporation than in the country of origin, then not less than stockholder-producer terms shall be paid by said producer for such other distribution.

In addition to the present distribution terms now in force and effect in the above contracts, and subject to the limitations set forth in the following paragraphs, there shall be adopted for a period of three years, com-

mencing as of January 1, 1938, and ending on December 31, 1940, the following new method (known as the Silverstone Plan) of calculating additional sums to be paid the producers as an additional producer revenue:

BASIC TERMS DISTRIBUTION EACH PICTURE

U. S. A.
25% to $750,000.00

2%	Refund from	$ 750,000	to $1,000,000
3%	" "	1,000,000	to 1,250,000
5%	" "	1,250,000	to 1,500,000
7½%	" "	1,500,000	to 1,750,000
10%	On all over	1,750,000	

ENGLAND
25% to $300,000.00

2 %	Refund from	$300,000	to $400,000 (£ 60,000 to 80,000)
3 %	" "	400,000	" 500,000 (£ 80,000 to 100,000)
5 %	" "	500,000	" 600,000 (£ 100,000 to 120,000)
7½%	" "	600,000	" 700,000 (£120,000 to 140,000)
10%	" On all over	700,000	(on all over £140,000).

The above shall apply to all photoplays delivered to United Artists Corporation by any producer entitled to share in the refunds for the period commencing January 1, 1938 and terminating December 31, 1940, even though a part of the distribution of said photoplays continue after December 31, 1940.

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ADDITIONAL REFUND BASED ON ANNUAL PLAYED AND EARNED.

U. S. A.

2 %	Refund from	$2,000,000	to $3,000,000
3 %	" "	3,000,000	to 4,000,000
5 %	" "	4,000,000	to 5,000,000
7½%	" "	5,000,000	to 6,000,000
10%	On all over	6,000,000	

ENGLAND

2 % Refund from $ 800,000 to $1,200,000 (£160,000 to 240,000)
3 % " " 1,200,000 to 1,600,000 (£240,000 " 320,000)
5 % " " 1,600,000 to 2,000,000 (£320,000 to 400,000)
7½% " " 2,000,000 to 2,400,000 (£400,000 to 480,000)
10% " " on all over 2,400,000 (on all over £480,000)

The foregoing right to refunds shall cease as of December 31, 1940.

OVERRIDING ADDITIONAL REFUND BASED ON ANNUAL WORLD PLAYED AND EARNED.

2% Refund from $8,000,000 to $9,000,000.
3% " " 9,000,000 to 10,000,000
5% " " on all over 10,000,000.

The foregoing right to refunds shall cease as of December 31, 1940.

(a) Should the total "additional" amounts payable in any year to all of the above-mentioned producers and to any other producers entitled to and/or given the amended distribution terms set forth in paragraph 2 hereof exceed 50% of the net annual profits that year of the corporation, then and in that event, the total "additional" amounts payable shall be limited to an aggregate amount equal to 50% of the net profits, provided, however,

(b) Should the net profits be less than $500,000, then and in that event, the total "additional" amounts payable shall be the excess above the sum of $250,000.

(c) In the event of the happening of the contingency under (a) or (b) hereof, there shall be calculated the percentage ratio that the sum available for "additional" amounts payable bears to the total "additional" amounts that would have been payable under paragraph 2 itself; such percentage ratio shall then be applied to the amounts that would have been payable to each participating Producer had the contingency not arisen, and the respective amounts thus ascertained shall be so paid.

(d) Net profits of the corporation shall be those of a consolidated balance sheet and profit and loss account, including all subsidiary companies.

(e) As regards net profits, they shall be ascertained after proper provision and deduction for taxes and contingent liabilities and such like matters as any prudent man would adopt in the course of carrying on his business.

(f) For the purpose of ascertaining the net profits, capital profits or losses in respect of any investment or asset of the corporation and any interest dividends or annual revenue from any investment or asset of the corporation, are not to be taken into account.

(g) To prevent any dissension between (a) the stockholders amongst themselves, and/or (b) the stockholders and those entitled to participate in the "additional" distribution payments, the decision as to what shall be such net profits shall be left entirely to Messrs. Price, Waterhouse & Co., or any firm of like standing to be chosen by the United Artists Corporation as auditors, and the certificate of any partner of that firm shall be final and conclusive between the parties above mentioned in this clause.

(h) Inasmuch as the accounting will take time, the "additional" amounts payable will not be payable until the 30th day of June in the following calendar year or such later date as the said auditors shall certify the accounts, the said auditors being instructed to use every endeavor to deliver final accounts to the directors of United Artists Corporation by the 31st day of May in each year concerned.

(i) No producer granting or obtaining special territorial or local distribution as distinct from worldwide distribution shall be entitled as regards his special territorial or local films to share in the benefits provided for in the preceding paragraphs.

The Chairman called for a vote on the resolution. Mr. James Roosevelt voted in the negative. Mr. Schwartz requested to be recorded as voting in the following manner:

That he voted in favor of the plan with one modification: that the effective commencement date be January 1, 1939, instead of January 1, 1938.

The other directors voted in the affirmative, and the Chair declared the motion carried.

It was moved, seconded and unanimously adopted that the present officers of the company make arrangements to

transfer to Joseph M. Schenck the life insurance carried by the company on the life of Mr. Joseph M. Schenck; that Mr. Schenck pay tothe company the cash surrender value of the policy on the date of transfer, plus a bonus of $10,000.00.

The General Manager reported the withdrawal of two letters written by Mr. Richard Dwight, on behalf of the Goldwyn Company, to wit: regarding the Odeon indebtedness and requesting 17½% distribution in England.

It was the unanimous opinion of the directors present that the same directors and officers should be elected of all the subsidiaries, with the exception of Mr. George Schaefer, who was no longer with the company.

It was moved and seconded that there be forthwith executed by the proper officers of the Corporation an amendatory contract with Hal Roach, giving to Mr. Roach the advantages of reduction of distribution terms in England and Canada and of participating in the Silverstone Plan. Four of the directors voted in the affirmative. Mr. Roosevelt asked to be recorded as not voting. The Chair declared the motion carried. It was moved and seconded that the proper officers of the Corporation be authorized to execute as a part of the new Edward Small Productions, Inc. contract, extending the original terms, the right to participate in the so-called Silverstone Plan. Four of the directors voted in the affirmative. Mr. Roosevelt asked to be recorded as not voting. The Chair declared the motion carried.

The General Manager asked authority to make advances, not to exceed $25,000.00 per picture, toward the acquisition for distribution purposes in the Spanish territory of so-called all-Spanish-talking pictures. The motion was made, seconded and unanimously adopted.

The General Manager presented to the meeting an expense bill of Mr. Douglas Fairbanks incurred in connection with the London trip of last year, amounting to approximately $1500.00. It was moved, seconded and unanimously adopted that this bill be paid.

The General Manager reported that he had received letters from Messrs. Hal Roach and David Selznick regarding the reduced distribution terms in England, and that he was answering both letters saying that formal action had been taken by the Board, approving such reduction.

Mr. Dennis O'Brien reported to the meeting an income tax saving of $59434.92.

The General Manager reported that Mr. Korda had withdrawn his request that CONQUEST OF THE AIR be treated as a British Empire subject.

The question of treating CHALLENGE and REBEL SON as British Empire pictures at 17½% was discussed, and the matter was tabled until the adjourned meeting on February 20.

The General Manager asked ratification of the following matters which had been discussed informally with the directors, and ratification was unanimously given:

(a) Contract with Felipe Mier re Spanish pictures
(b) To open the corporation's exchanges in Holland if deemed advisable by the General Manager.
(c) Acceleration of payments up to the date of this meeting to the Wanger Company and London Films; that is, payments made within ten (10) days after played and earned instead of three weeks.
(d) Advance payment of $60,000. to the Hal Roach Studios recouping from revenue of the photoplay TOPPER TAKES A TRIP.
(e) Termination of agreements with Italian licensees and the corporation's withdrawal from business in Italy.
(f) Purchase by our English company of £20,000 worth of Odeon Theatres, Ltd. Ordinary shares at par.

The General Manager made a general report regarding the Odeon situation and referred the directors to a tremendous volume of documents and correspondence, which was to be made available to the directors.

The General manager also stated that the option of Messrs. Bates, Alcock and Deutsch to buy £15,000 Preference Shares of the Odeon public company be extended for an additional six months from November 22, 1938.

The request of the Wanger Company and London Films for the acceleration of film rentals upon the same basis and same terms as payments now being made to the Goldwyn Company was unanimously approved by all the directors present.

The General Manager reported that London Films had renewed its request for permission to sell certain of its pictures in Franco Spain. The matter was tabled until the next meeting.

The General Manager made a report on the horrible condition in Chile, and stated he had authorized the appropriation of 10,000 Ps. (approximately $312.) for relief of the Corporation's employees. This action was unanimously approved.

The General Manager also asked the right to enter into a contract which was being proposed by the Educational Department of the Hays Organization in connection with short subjects for classrooms. This right was given to the General Manager, subject, however, to the approval of each individual producer.

The General Manager made a report on the Disney situation and the Disney letter.

The question of withholding Argentine taxes from producers' shares was tabled for a future meeting, due to lack of information from the Argentine.

A report of the Howard Hughes negotiations with Mr. Neil McCarthy was made by Mr. O'Brien and Mr. Raftery. It was agreed that Mr. O'Brien and Mr. Raftery were to continue with further negotiations.

The question of certain modifications in distribution contracts regarding rebates was discussed. The General Manager was directed to take the matter up with each individual producer.

It was moved, seconded and unanimously carried that no expenditures of any director or stockholder should be made or approved except by the Board of Directors of this Corporation.

A report by the Treasurer of the Corporation regarding monthly reports and bank balances was made.

The General Manager made a detailed report on the general operations of the Corporation and plans for the 20Th Anniversary.

The General Manager also made a report on the Wanger Company financial deal, and on the contemplated product the Cor oration could expect for the 1939-1940 Season from Chaplin, Fairbanks, Korda, London Films, Wanger, Roach and Small. He earnestly requested Mr. Roosevelt and Mr. Mulvey to discuss with Mr. Goldwyn what product Mr. Goldwyn expected to have, so that he could begin pre-season selling and meet competitive conditions in the industry. Mr. Roosevelt stated he was leaving for the Coast immediately after the meeting, and would take the matter up with Mr. Goldwyn upon his arrival there.

The General Manager made a report regarding his negotiations with Mr. Selznick and Mr. Whitney, of Selznick International Pictures, Inc.

The General Manager stated that a request had been received from a producer named ARMAND DENNIS to distribute a photoplay called "JUNGLE". The meeting concurred in the General Manager's opinion that United Artists should not distribute this picture.

The General Manager also reported that a request had been received from MAURY COHEN to distribute Technicolor Westerns. The meeting again concurred in the General Manager's opinion that United Artists should not distribute this picture.

The General Manager reported that he had been negotiating with Ernst Lubitsch for the Corporation to distribute a limited number of Ernst Lubitsch productions. The matter was tabled until the adjourned meeting for a further report.

Mr. Paul O'Brien stated that he intended to present his resignation as a director and that Mr. Theodore Caruso would be elected in his place. The Secretary was directed to call a Special Meeting of stockholders for this purpose.

The General Manager stated that he had received a letter from Mr. Spyros Skouras regarding the Fox-West Coast deal, which eliminated any difficulties as to the intent of the operation agreements. It was directed that a copy of this letter be appended to the minutes of this meeting.

The proper officers of the Corporation were authorized to execute a new lease for the Exchange quarters in Buffalo.

A letter written by Mr. James Roosevelt to counsel regarding the Producers' Fund was then discussed. No formal action was taken regarding same.

The General Manager reported that the Progressive Educational Society, through the Hays Organization, was making a short photoplay and using scenes from "YOU ONLY LIVE ONCE". Upon motion duly made and seconded, it was unanimously

RESOLVED, that approval be given to the General Manager to complete this deal.

The General Manager reported that he had received the minutes of the directors meetings of United Artists Cororation, Ltd, held December 20 and December 30, 1938, and the minutes of the directors meetings of United Artists (Export) Ltd., held December 20, 1938.

The General Manager reported that the Wanger Security Agreement had been received from the Bank, and Mr. Paul O'Brien submitted the proposed corporate resolution requested by Mr. Ericksen and as modified by Mr. Paul O'Brien, covering authority for signing the Subordination Agreement, as follows:

WHEREAS, WALTER WANGER PRODUCTIONS, INCORPORATED, a California corporation, hereinafter referred to as WANGER CORPORATION, is indebted to this corporation, UNITED ARTISTS CORPORATION, hereinafter referred to as UNITED ARTISTS, in the sum of approximately $665,000.00 upon various loans obtained by said WANGER CORPORATION from UNITED ARTISTS for the production of motion picture photoplays; and

WHEREAS, WANGER CORPORATION proposes to borrow from BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a national banking association, hereinafter referred to as the Bank, during the period from January 1, 1939, to and including May 31, 1940, certain sums of money not to exceed in the aggregate the sum of $4,500,000.00, for the production of seven (7) new photoplays for UNITED ARTISTS release and UNITED ARTISTS will be benefited by the production of said photoplays; and

WHEREAS, the Bank requires as a condition of its making said loan or loans to WANGER CORPORATION that all of the indebtedness of WANGER CORPORATION to UNITED ARTISTS shall be subordinated and made junior to the obligation of WANGER CORPORATION to the Bank, and also requires that the security held by UNITED ARTISTS for its loans to WANGER CORPORATION shall be subordinated and made junior to the security taken or to be taken by the Bank for its loans to WANGER CORPORATION.

NOW, THEREFORE, BE IT RESOLVED, that UNITED ARTISTS subordinate to all existing and all future loans made and to be made by the Bank to Wanger Corporation, including all existing indebtedness of WANGER CORPORATION to the Bank, and said proposed additional loans not to exceed in the aggregate the sum of $4,500,000 .00 and to the security taken and to be taken by the Bank for said loans, all of the existing indebtedness and any further indebtedness of WANGER CORPORATION to UNITED ARTISTS, together with and including the security therefor, with the exception that UNITED ARTISTS may before any recoupment by the Bank recoup any advances for prints or other items made by UNITED ARTISTS to or on behalf of the WANGER CORPORATION in connection with the distribution of the motion picture photoplays which are pledged under said security agreement; and

BE IT FURTHER RESOLVED, that the President or any Vice-President, together with and including the Secretary or any Assistant Secretary of UNITED ARTISTS be and they hereby are authorized, empowered and directed to execute in the name of UNITED ARTISTS and to deliver to the Bank such agreement or instrument of subordination as shall be effective to accomplish the purposes aforesaid, and as the Bank shall require as an inducement to it to make said additional loans to WANGER

CORPORATION; and

BE IT FURTHER RESOLVED, that such instrument or agreements as the Bank shall require for the purposes aforesaid and as said officers of UNITED ARTISTS may execute to the Bank to induce said loans, be and the same are hereby ratified and approved.

The foregoing resolution was unanimously adopted.

Mr. Raftery reported to the meeting that it was his opinion, after examination of documents, that ACTION FOR SLANDER and SOUTH RIDING were both London Film productions, and that payments should be made to London Film after the Bowring question had been disposed of.

The Treasurer reported that the Corporation had received from the Guaranty Trust Company a Mortgage of Chattels, Loan Agreement, Assignment and Pledge Agreement dated December 20, 1938, between Edward Small Productions, Inc. and Security First National Bank of Los Angeles and Guaranty Trust Company of New York, under which the maximum amount of loans to be outstanding on the first three Small pictures is increased from $400,000 to $625,000. Upon approval by counsel, the Distributor's Acceptance was signed.

The foregoing was unanimously approved.

The Treasurer reported that the Corporation had received from the Bank of America, National Trust and Savings Association, a Mortgage, Pledge and Security Agreement dated January 3, 1939, between Selznick International Pictures, Inc. and the Bank, under which the Bank agrees to lend $500,000 upon security of the picture "MADE FOR EACH OTHER". Upon approval by counsel, the Distributor's Acceptance was signed.

The foregoing was unanimously approved.

Approval was given of the following payments to the Hays Organization, Special Legal Fund:

Special Legal Acount-Budget January 1 to June 30, 1939	- $345.00
U. S. v. Interestate Circuit, et al., Disbursements	175.24
Indianapolis Amusement Co. v. Metro, et al.	61.53
Wisconsin Playdate Cases, Services and Disbursements	221.50.

The General Manager reported that the Corporation has on deposit in Germany the sum of R.M.93,760.45. This sum belongs to the following:

Disney	RM. 71,412.01
Reliance	2,514.44
United Artists	19,834.00
	RM. 93,760.45

Disney expects to use his marks for the purchase of story material in Germany. Reliance is willing to do anything that the Corporation recommends. Chase National Bank believes that these Marks are Kredit Sperr Marks and that they can have them transferred to net the Corporation about 3.6 cents per Mark.

The General Manager was directed, if he saw fit, to collect these monies if possible.

The General Manager presented an account of his expenses of his recent trip to California, and the Secretary was directed to sign same and the Treasurer was directed to pay same.

Mr. Raftery made a report regarding the present status of the Government suit, and after long discussion counsel was directed to take such steps necessary to protect the Corporation and the so-called United Artists defendants.

In order to complete the unfinished business, it was

Moved and seconded that the meeting be adjourned until Monday, February 20, 1939, at 2:30 P. M. at the same place.

Edward C. Rogers
Secretary

National Theatres Amusement Co. Inc.
444 West 56th Street
New York

Office of the President
Spyros P. Skouras

January 6, 1939

United Artists Corporation,
729 Seventh Avenue,
New York, N.Y.

Gentlemen,

With reference to the memorandum dated October 6th which you exhibited to me and written by Mr. George J. Schaefer to Messrs. Mulvey, Calvert, Silverstone, Walker, Kosiner and Millstein, you are advised that this memorandum does not fully reflect the status of our negotiations with Mr. Schaefer.

The figures which I presented to Mr. Schaefer and the terms I offered, as set forth in the memorandum, I told him were to apply only to the Goldwyn and Selznick pictures. He asked me about the other producers and I told him [redacted] I could not afford to and would not give the same terms on them as I was offering for the Goldwyn and Selznick pictures.

Other than the above, we did not discuss any terms which were to apply to pictures other than Goldwyn and Selznick as we did not agree upon any terms to apply to these particular two producers.

Very truly yours,

SPS-cg

Form 6 10036 1-38 Made in U.S.A.

OFFICE RUSHGRAM

To Messrs. Mulvey, Calvert, Silverstone, Walker, Kosiner, Millstein.

From G.J. Schaefer

Date October 6,1938

(C O P Y)

I had a further conference with Spyros Skouras and Mr. Kent yesterday in connection with the Fox West Coast deal and spent considerable time on the problem.

It is impossible, at this time, to secure a better proposition than 25% to the break even figure, then 50/50. I believe I turned over to you copy of the new split figures which are somewhat lower than last year under which we secured considerably more revenue than in the last two years and, especially, when we sold away from Fox during the 1935-36 season.

You understand, of course, there are no 5% deductions, under the terms, for double feature but, instead, we are to allow 5% deduction from the gross.

I have turned over to Jack Schlaifer complete set of the revised split figures.

G.J.S.

GJS:LC
c.c. Mr. M. Silverstone
Mr. L.J.Schlaifer
Mr. P.N.Lazarus

PLEASE TAKE NOTICE that a Special Meeting of the stockholders of UNITED ARTISTS CORPORATION will be held on Monday, February 20, 1939, at 2:15 P. M., at the offices of the Corporation, 729 Seventh Avenue, New York City, for the purpose of electing a director to succeed Mr. Paul O'Brien, and to attend to such other business as may properly come before said meeting.

Dated: February 15, 1939.

Edward R. Rogers
Secretary

AFFIDAVIT OF MAILING NOTICES

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

EDWARD C. RAFTERY, being duly sworn, deposes and says: That he is the Secretary of UNITED ARTISTS CORPORATION, a corporation of the State of Delaware; that on the 15th day of February, 1939, he caused a notice of a special meeting of stockholders of said corporation, a copy of which is hereto annexed, to be mailed in a sealed wrapper, postage prepaid, addressed to each stockholder of record of said corporation at his post office address as the same appears on the books of the corporation.

SWORN TO BEFORE ME THIS
15TH DAY OF FEBRUARY,
1939

Notary Public

LIST OF STOCKHOLDERS TO WHOM NOTICES SENT:

The Pickford Corporation
1041 North Formosa Avenue
Hollywood, California

The Elton Corporation,
1041 North Formosa Avenue
Hollywood, California

Mr. Charles Chaplin
1416 North La Brea Avenue
Hollywood, California

Mr. Samuel Goldwyn
1041 North Formosa Avenue
Hollywood, California

and

Mr. Samuel Goldwyn
729 Seventh Avenue
New York City

Mr. Alexander Korda
c/o London Films
729 Seventh Avenue
New York City

February 20, 1939.

MINUTES OF SPECIAL MEETING OF STOCKHOLDERS OF

UNITED ARTISTS CORPORATION

A Special Meeting of Stockholders of United Artists Corporation was held at the office of the Corporation, 729 Seventh Avenue, New York City, at 2:15 P. M. on the 20th day of February, 1939.

The following shareholders were present:

The Pickford Corporation,
by Dennis F. O'Brien, Proxy

Samuel Goldwyn and Samuel Goldwyn, Inc.,
by James Mulvey, Proxy

The Elton Corporation,
by Edward C. Raftery, Proxy

Charles Chaplin,
by Charles Schwartz, Proxy

Alexander Korda and London Film Productions, Ltd.,
by Emanuel Silverstone, Proxy.

Mr. O'Brien acted as Chairman of the meeting and Mr. Raftery acted as Secretary thereof.

The Secretary of the Corporation read to the meeting due notice of call, which was directed spread upon the minutes.

Mr. Paul O'Brien presented to the meeting his resignation as director of the Corporation, which read as follows:

United Artists Corporation
729 Seventh Avenue
New York, N. U.

Gentlemen:

I hereby resign as director of United Artists Corporation, my resignation to take effect upon the election of a successor.

Paul D. O'Brien

Dated: February 15, 1939.

The Chair called for nominations of a director to succeed Mr. Paul O'Brien. Mr. Theodore Caruso's name was placed in nomination and duly seconded. There being no other nominations, the Chairman declared the polls closed, and the Secretary was directed to cast a ballot for the unanimous election of Theodore Caruso to succeed Paul O'Brien as director of the Corporation.

There being no further business, the motion to adjourn was duly made, seconded and unanimously adopted.

Edward C. Raftery

Secretary

P R O X Y

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, THE ELTON CORPORATION, a corporation, holder of FOUR THOUSAND (4,000) shares of the stock of UNITED ARTISTS CORPORATION, a corporation of the State of Delaware, does hereby appoint EDWARD C. RAFTERY, its true and lawful attorney with full power of substitution and revocation, for it and in its name, to vote as its proxy at the special meeting of stockholders of said company to be held on February 20, 1939, at 2:15 P. M.; hereby ratifying and confirming all that said attorney or substitute may lawfully do in the premises.

WITNESS the execution of this proxy by the said THE ELTON CORPORATION, this 20th day of February, 1939.

The Elton Corporation

By _____

Vice-President

February 20, 1939.

MINUTES OF ADJOURNED REGULAR MEETING OF BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

The Board of Directors of United Artists Corporation reconvened, pursuant to the adjournment of the meeting held on Monday, February 13, 1939, on February 20, 1939, at 2:30 P. M., at the offices of the Corporation, 729 Seventh Avenue, New York City.

Mr. O'Brien continued to act as Chairman and Mr. Raftery continued to act as Secretary.

The Secretary reported that since the adjournment Mr. Paul O'Brien had resigned as a director of the Corporation and that at a special meeting of stockholders held just previous to this meeting Mr. Theodore Caruso was elected a director in the place and stead of Mr. O'Brien.

There were present the following directors:

Dennis F. O'Brien
Charles Schwartz
Emanuel Silverstone
Theodore Caruso,

constituting a quorum.

There were also present:

James Mulvey,	of Samuel Goldwyn, Inc.
M. Silverstone,	General Manager
Edward C. Raftery,	Secretary
H. J. Muller,	Treasurer.

The Chair stated that the meeting was adjourned for the purpose of considering the Lubitsch matter which had been brought up at the meeting of February 13, and which was put over at the request of Mr. Roosevelt. Mr. M. Silverstone read to the meeting the following telegram from Mr. James Roosevelt:

"MURRAY SILVERSTONE
UNITED ARTISTS CORP
729 7 AVE NYK

MR. GOLDWYN ASKS INFORM YOU HE IS VERY GLAD GIVE HIS FULL APPROVAL THAT YOU MAKE SATISFACTORY DISTRIBUTION CONTRACT WITH LUBITSCH. I PERSONALLY SHOULD LIKE TO BE RECORDED ALTHOUGH NOT PRESENT AT ADJOURNED MEETING AS BEING IN FAVOR SUCH A NEGOTIATION. WOULD APPRECIATE YOUR GIVING ME FURTHER DETAILS AT YOUR CONVENIENCE MERELY FOR INFORMATION MR GOLDWYN REGARDS

JAMES ROOSEVELT"

Mr. Silverstone also read to the meeting his reply, as follows:

JAMES ROOSEVELT
SAMUEL GOLDWYN INC
7210 SANTA MONICA BLVD
HOLLYWOOD CALIF

THANKS FOR WIRE REFERENCE LUBITSCH. WILL BE PLEASED TO HAVE YOU RECORDED AS REQUESTED. CONTEMPLATED LUBITSCH AGREEMENT TO COMMENCE IMMEDIATELY AFTER CONCLUSION PRESENT CONTRACT WITH MGM. ARRANGEMENT IS THAT HE TOGETHER WITH SOL LESSOR AND LATTERS ASSOCIATES FORMING COMPANY TO MAKE FOUR LUBITSCH PICTURES FOR DELIVERY TO US ON STOCKHOLDER PRODUCERS

TERMS AT RATE OF ONE TO TWO ANNUALLY WHICH IN EFFECT MAY MEAN APPROXIMATELY THREE YEARS TO COMPLETE DELIVERIES. EACH PICTURE TO BE DIRECTED AND PRODUCED BY LUBITSCH. IT IS OBVIOUS THEREFORE IF LUBITSCH PHYSICALLY INCAPACITATED AND UNABLE WORK THEN AGREEMENT AUTOMATICALLY AT END. UNDERSTANDING IS IF LUBITSCH COMPANY FAILURE AND DISCONTINUES BUSINESS AGREEMENT TERMINATES BUT THIS CANNOT TAKE PLACE BEFORE COMPLETION AT LEAST TWO PICTURES. AFTER SUCH DISSOLUTION LUBITSCH WOULD THEN BE FREE OTHERWISE HE WOULD BE PREVENTED FROM EARNING LIVELIHOOD WHICH NONE WOULD WANT DO. ABOVE CONTEMPLATED AGREEMENT BETWEEN LUBITSCH AND LESSER ALONG SUBSTANTIALLY SAME LINES AS LUBITSCH MYRON SELZNICK NEGOTIATIONS WITH WHICH MISTER GOLDWYN IN ACCORD. REGARDS

MURRAY SILVERSTONE"

Upon motion duly made and seconded and unanimously adopted, it was

RESOLVED, that the General Manager be authorized and empowered to negotiate and consummate a distribution agreement with Mr. Lubitsch covering future distribution of a maximum of four (4) pictures, to be delivered at the rate of one or two annually, upon the so-called stockholder-producers' terms.

It was called to the attention of the meeting that one or two other matters had been tabled at the previous meeting, for discussion at the adjourned meeting. It was the sense of the meeting that all matters so tabled should be passed until the next regular meeting of the Board.

There being no further business, upon motion duly

made and seconded, the meeting adjourned.

Edward L Rafferty
Secretary

PLEASE TAKE NOTICE that the regular monthly meeting of the Board of Directors of United Artists Corporation will be held at the office of the corporation, 729 Seventh Avenue, New York City, on Tuesday, March 7, 1939, at 2:30 P. M.

Secretary

March 7, 1939.

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

The regular monthly meeting of the Board of Directors of United Artists Corporation was held on Tuesday, March 7, 1939, at 2:30 P. M., at the office of the Corporation, 729 Seventh Avenue, New York City.

There were present the following:

Dennis F. O'Brien
Charles Schwartz
Emanuel Silverstone
James Roosevelt
Theodore Caruso,

constituting all the directors of the Corporation.

There were also present:

James Mulvey,	of Samuel Goldwyn, Inc.
M. Silverstone,	General Manager
Edward C. Raftery,	Secretary
H. J. Muller,	Treasurer.

Mr. O'Brien acted as Chairman of the meeting, and Mr. Raftery acted as Secretary thereof.

Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that the reading of the minutes of the previous meeting of the Board be dispensed with and that the minutes be approved.

The General Manager stated that the additional advance to Hal Roach Studios, Inc. had been made after securing from each of the directors individually (with the exception of Mr. Roosevelt) their approval, and after securing from Mr. James Mulvey, on behalf of Mr. Roosevelt, Mr. Roosevelt's approval.

Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that the action of the General Manager in making the advance to the assignees of Hal Roach Studios, Inc. of an additional $40,000. be approved.

The General Manager made a report regarding the Armand Dennis picture. He stated that in his opinion the picture would be very suitable for worldwide distribution outside of the United States of America and Canada; that he was negotiating a contract for England at 65%-35%, Australia 60%-40%, and all terms at least as favorable as producer-stockholder terms in the rest of the world. It was moved, seconded and unanimously

RESOLVED, that the General Manager be authorized to complete an agreement to secure worldwide distribution (outside of the United States of America and Dominion of Canada) of the aforesaid picture, upon the terms outlined above.

Mr. Muller reported that the Corporation has been advised by the Hays Organization that its Regular Dues amount to $657.83 per week for the year 1939 and Special Reserve Fund Dues to $164.46 per week. These dues have been arrived at on the basis of 1/100th of 1% of 1938 Played and Earned, less a deduction of 20% to Non-Theatre Owning Class B Members and a further 30% deduction (of the 80% remaining), leaving the Dues at 56% of the original figure.

Mr. Muller called to the attention of the meeting that at a meeting of the Board held on August 4, 1938, it was resolved that the stock certificates of the various Continental companies be deposited with the Bank of America, London Branch, if permitted by the by-laws of the various companies. The Corporation's attorneys in France, Messrs. Coudert Freres, are of the opinion that it is better to keep the stock of the French company in Coudert Freres' safe in Paris.

It was the consensus of the meeting that the Corporation should follow the advice of its French counsel

and the Secretary of the Company was directed to notify Coudert Freres that the Board concurs in their opinion and request that Coudert Freres issue a certificate of the number of shares and that all shares have been issued and endorsed in blank and deposited in their safe for the account of the Delaware company.

Mr. Muller stated that pursuant to approval given by Mr. Mulvey, on behalf of Mr. Roosevelt, and of the other four directors, he had instructed London to sell sterling forward for 60 days and 90 days in an amount equal to one-half of the estimated commission for April and May respectively. He further stated that the London office had reported the sale of £6000 sold at $4.68 for 60 days and £6000 sold at $4.6755 for 90 days. Approval was unanimously given.

Mr. Muller made a report regarding the Argentine 1931 Income Tax. At the meeting of the Board of Directors held January 3, 1939, there was submitted the payment made to the Argentine Government representing a tax on producers' share of film rentals on pictures imported between April 15, 1931 and January 19, 1932. The Treasurer was directed to secure a detailed report of the amount of tax which the company feels should be charged against each respective

producer. These amounts are as follows:

Charles Chaplin	Arg.	Pes.	21,670.50
Samuel Goldwyn, Inc.	"	"	19,295.42
Art Cinema - Jensen (released by contract)	"	"	7,177.44
Gloria Productions, Inc.			5,991.32
			54,134.68

The matter was tabled for the next meeting to give Mr. Mulvey, representing Mr. Goldwyn, and Mr. Schwartz, representing Mr. Chaplin, an opportunity to check the figures.

Mr. Muller reported that at the meeting of the Board of Directors held December 10, 1938 it was resolved that the Treasurer withhold from the producers' share of the pictures involved the amount that the producer would be liable for in the event the Argentine Government should be successful in its claim for additional Surcharges based upon remittances of producer's share. In a memorandum dated January 31, Mr. Mulvey objected to this withholding and requested the release of the money.

The Board saw no reason for changing the previous ruling at this time, and the matter was tabled for the next meeting.

Mr. Muller reported that at a meeting of the Board of Directors held December 10, 1938, it was

"Resolved that not over $2,000 in the aggregate shall be loaned to any one producer without the approval of the General Manager, Maurice Silverstone". This sum was then divided $1,000 to New York and $1,000 to England and the Continent. The accounts of the following producers exceed the limitation:

Hal Roach Studios, Inc., London	at 2/4/39	£3,423.1.9
Goldwyn, London	at 2/4/39	£ 731.13.8
Goldwyn, New York	at 2/21/39	$6,294.63
London Film Productions, New York	at 2/10/39	$2,285.03

Mr. Muller was instructed to take each of these matters up with the respective companies and secure proper payments and report from time to time to the Board as to the status of each of the accounts.

Mr. Raftery stated that since the last meeting three new law suits had been commenced.

1. In the United States District Court in Maine, wherein Millinocket Amusement Company was suing all the distributors, including United Artists, and an exhibitor known as Kurson Circuit. Mr. Raftery recommended that counsel in Maine be retained to represent the company, and permission was given him to retain such counsel.

2. In the United States District Court in Atlanta, Georgia, wherein an exhibitor named Peck was suing all the distributors, including United Artists. Mr.

Raftery recommended the retention of Mr. Dan MacDougal to represent the Corporation, and was instructed so to do.

3. Samuel Goldwyn and Samuel Goldwyn, Inc. had commenced an action in the Supreme Court, New York County, against United Artists Corporation.

Upon motion duly made and seconded, General Counsel for the Corporation were instructed to defend the suit vigorously and to consult with co-counsel, and, if in their judgment outside additional counsel were needed to aid in the defense of the litigation, they were authorized to so engage outside additional counsel.

All directors present voted in favor of the foregoing motion, with the exception of Mr. Roosevelt, who asked to be recorded as not voting.

The General Manager reported that he was negotiating to acquire the right to distribute a motion picture made in England and based on a very successful play entitled "ENGLISHMAN'S HOME"; that the proposed terms for Great Britain were 25% distributing fee with the producer supplying all prints, together with an option for the rest of the world on stockholder-producers' terms, the option to be exercised within thirty days after the receipt of a complete print in America.

Mr. Silverstone recommended the deal and it was unanimously approved, if the deal could be consummated as outlined.

Mr. Raftery requested payment of a bill of the Hays organization in the amount of $57.50, representing United Artists' pro-rata share of legal expenses in connection with the Boston Anti-Trust suits.

Payment of the aforesaid bill was unanimously approved.

There being no further business before the meeting, upon motion duly made and seconded, the same was adjourned.

Edward L. Raftery
Secretary

April 4, 1939.

MINUTES OF REGULAR MONTHLY MEETING OF BOARD OF DIRECTORS

-Of-

UNITED ARTISTS CORPORATION

The regular monthly meeting of the Board of Directors of United Artists Corporation was held on Tuesday, April 4,1939, at 2:30 P.M., at the office of the Corporation, 729 Seventh Avenue, New York City.

There were present the following:

Dennis F. O'Brien
Charles Schwartz
Emanuel Silverstone
James Roosevelt
Theodore Caruso,

constituting all the directors of the Corporation.

There were also present:

M. Silverstone,	General Manager
H. J.Muller,	Treasurer
James Mulvey,	of Samuel Goldwyn,Inc.
Paul O'Brien,	Assistant Secretary.

Mr. Dennis O'Brien acted as Chairman of the meeting and Mr. Paul O'Brien acted as Secretary thereof.

1. MINUTES OF PREVIOUS MEETING: Mr. Paul O'Brien reported that copies of the minutes of the previous meeting had been sent to all parties in interest, and, upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that a reading of the minutes of the previous meeting be dispensed with and that said minutes be approved.

2. ARCHIBALD LETTER RE ODEON DATED MARCH 10, 1939: The General Manager reported to the meeting the contents of a letter from George Archibald outlining certain requests made by Mr. Deutsch in regard to Odeon matters. It was the sense of the meeting that the Board of Directors defer action on these matters until they had been personally investigated by the General Manager during his contemplated trip to England in the late Spring.

The General Manager also advised the Board of Directors that all correspondence which had been received concerning the Odeon Circuit had been given to Mr. Muller and was there available for examination by the directors.

3. "THE BAND WAGON": The General Manager was authorized to proceed with and if possible consummate the negotiations in regard to the proposed English picture "THE BAND WAGON" on the terms outlined in his letter to the individual directors dated March 9,1939, except as follows: The proposed option on the English production "The Band Wagon" was discussed, and it was the sense of the meeting that soon after the completion of the picture, which would be the time for the exercise of the option, the matter then be

submitted for the consideration of the directors. The option concerns distribution rights in the United States and Canada.

4. SOL LESSER OFFER: The General Manager reported that Sol Lesser had made an offer to produce for the United Artists, which offer was dated March 20, 1939. The General Manager read this offer in its entirety to the meeting, and a copy thereof was directed to be affixed to and made part of these minutes.

After discussion, the following resolution was moved by Mr. Charles Schwartz and seconded by Mr. Emanuel Silverstone:

> RESOLVED, that the offer of Mr. Sol Lesser, dated March 20, 1939, as presented to this meeting of the Board of Directors by the General Manager on April 4, 1939, be accepted, and that General Counsel for the corporation be instructed to draw an agreement incorporating the terms of this offer, such agreement to be in form agreeable to the General Manager, and that the General Manager be and he is hereby authorized to execute such agreement on behalf of the company.

The resolution was carried by four votes in the affirmative, with one not voting, the four directors voting in favor of the resolution being Messrs. O'Brien, Schwartz, E. Silverstone and Caruso. Mr. Roosevelt asked to be recorded as "Not Voting." Mr.

Roosevelt wished it stated in the minutes that he was not voting on the Lesser deal because he felt that the deal had been substantially changed, since it had been originally submitted to a directors' meeting described as "the Lubitsch deal", and sufficient time and study had not been given to the study of the revised proposal.

The General Manager then informed the meeting that Ernst Lubitsch and Sol Lesser had entered into an agreement dated March 20, 1939, under which four pictures are to be made by these parties, such pictures to be directed and produced by Mr. Lubitsch; that each party to such agreement was given the right to cancel such agreement for any reason, upon the completion of the first picture and a similar right upon the completion of the second picture.

The General Manager then called attention to the clause contained in such agreement, for the benefit of this company, reading as follows:

> "You agree to deliver to the United Artists Corporation an instrument under which you agree as follows: that in case your re-employment contract with the company is terminated after the making of the first or second pictures, United Artists Corporation will have the option to require you to enter into a similar contract of employment under which United Artists will agree to procure the financing of the remaining pictures contemplated to be made hereunder upon substantially the same terms and conditions as herein contained, including the compensation payable to you and your 50% interest in such pictures

or in the profits to be derived therefrom. United Artists may effectuate the foregoing either by causing a new corporation to be organized similar in structure to that herein contemplated and procure for such corporation the necessary capital (the stockholder or stockholders in such case to be such parties as may be procured by United Artists) or United Artists may make a similar arrangement with any of the producing units then distributing through the United Artists. In case United Artists shall desire to exercise such option, it shall do so by written notice given to you not later than 60 days after the date when you shall have notified United Artists that your employment contract with the company has terminated."

After discussion, the following resolution was moved by Mr. Schwartz and seconded by Mr. Emanuel Silverstone:

RESOLVED, that concurrently with the execution and delivery of the agreement above mentioned to be entered into between United Artists Corporation and Sol Lesser, this Company secure from Mr. Lubitsch an option in accordance with the provisions above quoted and that General Counsel of the Corporation prepare such option in form agreeable to the General Manager.

The resolution was put to a vote and was carried, the four directors voting in favor being Messrs. O'Brien, Schwartz, E. Silverstone and Caruso. Mr. Roosevelt asked to be recorded as "Not Voting". Mr. Roosevelt asked to have spread on the minutes that he was not voting for the same reasons as set forth upon the submission of the resolution for the acceptance of the offer of Mr. Lesser.

5. DAVID LOEW: The General Manager reported that David Loew had made an offer to produce for the United Artists, which offer was dated March 28, 1939. The General Manager read this offer in its entirety to the meeting, and a copy thereof was directed to be affixed to and made part of these minutes.

After discussion, the following resolution was moved by Mr. Charles Schwartz and seconded by Mr. Emanuel Silverstone:

> RESOLVED, that the offer of Mr. David Loew dated March 28, 1939, as presented to this meeting of the Board of Directors by the General Manager on April 4, 1939, be accepted, and that General Counsel for the corporation be instructed to draw an agreement, incorporating the terms of this offer, such agreement to be in form agreeable to the General Manager, and that the General Manager be and he is hereby authorized to execute such agreement on behalf of the company.

The resolution was put to a vote and was carried, the four directors voting in favor being Messrs. Schwartz, O'Brien, E. Silverstone and Caruso. Mr. Roosevelt asked to be recorded as "Not Voting," because he felt that the Board did not have sufficient notice of this contract and the reading of the proposal by the General Manager raised certain points, specifically the provisions of paragraph (b) of Mr. Loew's letter to United Artists, the wisdom of which Mr. Roosevelt felt should be more carefully considered from the point of view of determining the advisability of placing upon United Artists responsibilities flowing from said paragraph.

6. SELZNICK INTERNATIONAL PICTURES, INC: The General Manager reported that negotiations had been concluded with Selznick International Pictures, Inc., wherein and whereby the corporation was to enter into an extension of the present distribution agreement with this company for a minimum of three (3) and a maximum of eight (8) additional pictures, excluding "GONE WITH THE WIND", which had been previously committed by the Selznick International Pictures, Inc. to another distributor; that the terms were the regular stockholder-producers' terms with the producer sharing under the Silverstone Plan in the so-called Producers' Fund. That in addition negotiations had been consummated with Selznick International Pictures, Inc., wherein and whereby the corporation agreed to advance to Selznick International Pictures, Inc. the sum of $150,000. per picture commencing with the second picture to be delivered under the extension agreement, and as collateral security for said advance the corporation would receive an assignment of the Producer's interest in the picture, subject, only to the Bank of America's prior lien of 60% of the estimated residual value of the pictures in question. That the agreements had been prepared and approved by Selznick's counsel on the coast and forwarded to Mr. Wharton, New York Counsel for Selznick International Pictures, Inc.

After discussion the following resolution was moved and seconded:

RESOLVED, that the General Manager be and he is hereby authorized on behalf of the company to execute three certain agreements with Selznick International Pictures, Inc.:

1) An agreement reducing the terms in England and Canada with Selznick International Pictures, Inc. on all pictures, commencing as of January 1, 1938 from 70-30% to 75-25%, and incorporating in the said Selznick arrangements the so-called Silverstone Plan.

2) An agreement extending the Selznick International Pictures, Inc. agreements as written to cover a minimum of three (3) and a maximum of eight (8) additional pictures.

3) An agreement under the terms of which the corporation agrees to advance to Selznick International Pictures, Inc. upon delivery of the second picture to be delivered under the extension agreement the sum of $150,000 and a like sum upon delivery of each picture delivered thereafter with a maximum obligation to advance $600,000, said agreement to provide, among other things, that said advance shall be secured by an assignment in substantially the same form as the Mortgage, Pledge and Security Agreements heretofore executed from time to time by the Selznick International Pictures, Inc. in favor of the Bank of America which lien and security shall be subordinate only to 60% of the residual value of each said picture for which said advance is made.

The resolution was put to a vote and was carried, the four directors voting in favor being Messrs. O'Brien, Schwartz, E. Silverstone and Caruso. Mr. Roosevelt asked to be recorded as "Not Voting," and objected to the principle incorporated in paragraph 3) of the Selznick resolution on the ground that it violated a previously accepted and long respected United Artists' principle that no contribution should be made to production costs.

7. GENERAL MANAGER EXPENSE ACCOUNT: The General Manager presented his expense account of his recent trip to California, which was unanimously approved.

8. CONVENTION. The General Manager reported that the United Artists Convention had been set for May 7, in Los Angeles,

California, and that the convention would be a National Convention. He stated that there would be no sectional conventions this year. He also stated that selling of the 1939-40 product would commence immediately after the convention; that he had presented this fact forcibly to Messrs. Roosevelt and Mulvey and advised them that he felt that the Goldwyn product, if sold last after the rest of the United Artists' product, might be handicapped in securing week-end play-dates and favorable playing time. Mr. Roosevelt and Mr. Mulvey advised him that United Artists was only authorized to announce two Goldwyn pictures at the convention, namely, (1) the Jascha Heifitz picture, and (2) the Gary Cooper picture. The General Manager told Messrs. Roosevelt and Mulvey that these pictures had already been sold, each having in excess of 7,000 contracts taken, and therefore there would be no "new" pictures to announce for the succeeding season.

9. EXHIBITION CONTRACTS: It was pointed out to the meeting that the exhibition contract used by the United Artists contained in it a sequence of release clause and a clause which provided that a breach of one contract constituted a breach of all outstanding exhibition contracts. It was the unanimous sense of the meeting that these two clauses be eliminated from the exhibition contract to be used during the selling season 1939-1940.

10. The General Manager also brought to the attention of the directors that some of the stockholders had not designated their directors for the English Company and asked them to please do so.

11. HAL ROACH CHATTEL MORTGAGE: Mr. Muller reported the receipt of a mortgage of chattels, pledge, assignment and security agreement, dated March 9, 1939, between Hal Roach Studios, Inc. and the Security-First National Bank of Los Angeles. He reported that after counsel had approved the distributor's acceptance attached thereto, it had been executed. This action was ratified.

12. EDWARD SMALL CHATTEL MORTGAGE: Mr. Muller reported the receipt of a mortgage of chattels, pledge, assignment and security agreement, dated March 7, 1939, between Edward Small Productions, Inc. and Security-First National Bank of Los Angeles, and Guaranty Trust Company of New York. He reported that after counsel had approved the distributor's acceptance attached thereto, it had been executed. This action was ratified

13. ARGENTINE 1931 INCOME TAX: Mr. Muller reported that he was awaiting authorization to charge to the producers the tax on the producers' shares realized in Argentina. The consideration of this matter was put over until the next meeting.

14. GEORGE J. SCHAEFER: Mr. Muller made a report of an oral request made by Mr. Schaefer and of a written request made by his attorney, Samuel Spring, for certain detailed figures which showed a domestic loss for the forty weeks ending October 8, 1938. Mr. Schaefer also requested figures showing the monthly film rentals after May 28, 1938.

It was the sense of the meeting that the entire matter as to whether any profits were due Mr. Schaefer should

be left to the General Manager and that he be authorized to negotiate and conclude a settlement.

15. ADVANCE TO HAL ROACH: The General Manager reported that after he had canvassed each director for his approval, he had paid to the assignee of Hal Roach Studios, Inc. $75,000. as an advance against future film rentals to be recouped at the weekly rater of $7500. or more, the amount being dependent upon collections after recoupment of the previous advance.

This action was approved unanimously.

16. JAPAN'S THREE YEAR CREDIT FUND: Mr. Muller reported that Mr. Al Lowe, the former manager of the Tokyo office, was a member of the committee which negotiated with the Japanese Finance Minister for the transfer of Japanese Yen to the Yokohama Specie Bank for payment to the United States motion picture producers in dollars three years after the dates of deposits. Mr. Lowe stated that the arrangement with the government was that the sums transferred would represent royalties on pictures imported into Japan prior to September, 1938, including an estimate of the amount of royalties to be accrued on such pictures to the 31st of December, 1938. Mr. Muller commented that under the circumstances it seems fair that this money if received by United it should be proroated among the pictures imported into Japan prior to September, 1938, in accordance with the credit balances of such pictures as at December 31, 1938.

It was moved, seconded and unanimously approved that this money should be pro-rated as suggested by Mr. Muller.

There being no further business before the meeting, upon motion duly made and seconded, the same adjourned.

Paul D. O'Brien,
Acting Secretary

March 20, 1939.

United Artists Corporation
729 Seventh Avenue
New York

Gentlemen:

I hereby offer to enter into a contract with you substantially upon the following terms:

(a) That I will produce and deliver to you for distribution one photoplay during the year commencing September 1, 1939 and ending September 1, 1940, and not less than one nor more than three photoplays during each year for a period of five years thereafter, ending September 1, 1945.

(b) That the photoplay to be delivered between the period September 1, 1939 and September 1, 1940, shall be one directed by Ernst Lubtisch providing he shall be available for such direction in time to enable me to complete and deliver such photoplay during such period failing which availability such photoplay shall be delivered ~~by me~~ during the next year to-wit: between September 1, 1940 and September 1, 1941, and in such case such photoplay shall be applied against the minimum of one and the maximum of three photoplays deliverable during such latter period. In case I shall not produce such Lubitsch photoplay because of event beyond my control, then I shall have the right to deliver another photoplay in its place, subject to the approval provisions contained in subdivision (c) hereof.

(c) That with respect to any of the photoplays herein embraced, if the same shall not be directed by Ernst Lubitsch, I shall be required to submit to you for approval either story, director or principal player, to have the option with respect to each such photoplay, whether such approval shall be exercised as to the story or the director or the principal player.

(d) That each photoplay shall be of first class quality and be of the standard suitable for distribution through you, and I will agree to expend on the cost of production of each such photoplay not less than the average sum of $400,000.

(e) That with respect to any photoplay as to which you shall have the right of approval of the story, director or principal player, in the event of your refusal to give such approval, and I shall deem such refusal to approve as unreasonable on your part, that I shall have the right to have the subject matter of such approval submitted to arb itration. Such arbitrator shall be selected in the following sequence: Dr. A.H. Giannini, or if he shall not be available or refuse to act, Mendel Silberberg, or if he shall not be available or refuse to act, Spyros Skouros, or if he shall not be available or refuse to act, then such person as shall be selected by the Hays organization and the decision of any such arbitrator shall be binding and conclusive upon both of us.

(f) That on or before April 1st of each year, I shall submit to you the names of the photoplays which I comtemplate delivering to you during the year period commencing the following September 1st, and I agree to make delivery to you of such specific photoplays during such year period. In case, however, because of events beyond my control, I shall be unable to make delivery of any such specific photoplay, then I shall be excused from doing so, but my minimum obligation for that year shall remain and continue in effect.

(g) That the terms of distribution shall be the same as the regular producer owners terms, including participation in any producers fund during the same period and in the same manner as the producer owners may participate therein.

(h) That each such photoplay other than Lubitsch productions shall be actually produced by me and my name shall be prominently mentioned as such producer in all advertising and on the film and I shall have a substantial financial interest in each such photoplay.

(i) That such contract shall be made with a corporation to be organized by me, the control of the voting stock of which will be held by me, and such contract shall be personal to such corporation and shall not be assignable. I shall also have a substantial financial stock interest in such corporation. I shall also execute and deliver a separate instrument guaranteeing the performance of the contract and also agreeing that during the life of the contract I will render my services exclusively to and for the corporation and will not be engaged in the production or distribution of pictures excepting those to be made pursuant to the contract for delivery to you for distribution.

Nothing herein contained shall be deemed to prevent me from handling any investments that I may have or make or of participating in the liquidation of the Bobby Breen Productions, Inc. with which I am presently associated, consisting of the production and completion of three pictures, one with Irene Dare and two with Bobby Breen, my participation in the production of such three pictures to continue in no event longer than January 1, 1940. With respect to the above mentioned three pictures it is my desire that my name shall not appear on the film nor in the advertising matter relating thereto, and I shall use my best efforts to eliminate my name in connection therewith.

(j) If the contracts made by you with your producers owners or any of your other producers should be herafter amended by inserting an additional provision therein modifying or suspending any of the provisions of such contracts in the event of war, domestic or foreign, then the same provisions shall be included in my contract and my contract shall be amended accordingly.

Yours very truly,

(signed) Sol Lesser

Los Angeles, California
March 28th, 1939.

United Artists Corporation
729 Seventh Avenue
New York, N. Y.

Dear Sirs:-

I hereby offer to enter into a formal contract with you, substantially upon the following terms:

(a) That I will produce and deliver to you for distribution not less than one (1) nor more than (2) photoplays per year during the three year period commencing September 1st, 1939, and ending August 31st, 1942.

That in respect to any of the photoplays required to be delivered hereunder, I shall be required to submit to you for your written approval either the story, the director, or the principal player, I to have the option with respect to each such photoplay whether such approval shall be exercised by you as to the story or the director or the principal player.

(b) That each photoplay shall be of first-class quality and be of the standard suitable for distribution through you, and I will agree to expend on the cost of production of each such photoplay produced approximately FIVE HUNDRED THOUSAND ($500,000.00) DOLLARS.

(c) In the event of your refusal to give the approval required to be given to either the story, director or principal player and I shall consider such refusal of approval as unreasonable on your part, then I shall have the right to hav the subject matter of such rejection submitted to arbitration; such arbitrator to be selected in the following sequence:

Dr. A. H. Giannini, or if he shall not be available or refuse to act, Joseph M. Schenck; or if he shall not be available or refuse to act, Henry M. Ginsberg; or if he shall not be avilable or refuse to act, then

such person as shall be selected by the head of the so-called Hays Organization, and the decision of any such arbitrator shall be binding and conclusive upon both of us on the question of approval or rejection.

(d) Except for the first year of this agreement, on or before February 1st of each year I shall submit to you the names of the photoplays which I contemplate delivering to you during the year period commencing the following September 1st, and I agree to make delivery to you of such specific photoplays during such year period; during the first year as soon as practicable after the execution of this agreement I agree to submit to you the names of the photoplays which I comtemplate delivering to you during the first year period, and I agree to make delivery to you of such specific photoplays during such year period. In case, however, because of events beyond my control, I shall be unable to make deliveries of any such specific photoplays, then I shall be excused from doing so, but my minimum agreegate for that year shall remain and continue in effect and any substitution of story, director or principal player shall be subject to your same right of approval.

(e) That the terms of distribution shall be the present so-called regular producer-owner terms, including particpation under the Silverstone Plan during the same period and in the same manner as the producer-owner participation therein.

(f) That each photoplay shall be actually produced by me and my name shall be prominently mentioned as such producer in all advertising and on the film, and I shall have substantial financial interest in each such photoplay. That such contract shall be made with a corporation, the control of the voting stock of which shall be held by me, and such contract shall be personal to such corporation and shall not be assignable. I shall also have a substantial financial stock interest in such corporation. I shall also execute and deliver a separate instrument guaranteeing the performance of the contract and also agreeing that during the life of the contract I will render my services exclusively to and for the corporation, and will not be engaged in the production or distribution of pictures excepting those to be made pursuant to the contract for delivery to you for distribution.

(g) If the contract made by you with your producer-owners or any of your other producers, should be hereafter amended by inserting an additional provision therein modifying or suspending any of the provisions of such contracts in the event of war, domestic or foreign, then the same provision shall be included in my contract and my contract shall be amended accordingly.

(h) This offer is irrevocable on my part for a period of thirty (30) days.

Yours very truly,

David L. Loew

PLEASE TAKE NOTICE that a regular monthly meeting of the Board of Directors of United Artists Corporation will be held on May 2, 1939, at 2:30 o'clock in the afternoon, at the offices of the Corporation, 729 Seventh Avenue, New York City.

Dated: New York, April 24, 1939.

Edward C. Raftery
Secretary

May 2, 1939

MINUTES OF REGULAR MONTHLY MEETING OF BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

The regular monthly meeting of the Board of Directors of United Artists Corporation was held on Tuesday, May 2, 1939, at 2:30 P.M., at the office of the corporation, 729 Seventh Avenue, New York City.

There were present, the following:

Dennis F. O'Brien
Charles Schwartz
Emanuel Silverstone
Theodore Caruso

constituting a majority of the Board of Directors.

There were also present:

M. Silverstone	General Manager
Harry J. Muller	Treasurer
James Mulvey	of Samuel Goldwyn, Inc.
Edward C. Raftery	Secretary

Mr. Dennis O'Brien acted as Chairman of the meeting and Mr. Edward Raftery acted as Secretary thereof.

1. Several suggestions were presented to the meeting for amending the minutes of the previous meeting, which had been circulated among the Directors, and it was the consensus of the meeting that the minutes be tabled until the next meeting.

2. Due to the fact that both of the Vice Presidents were leaving for California for the Convention, the Treasurer reported that it would be necessary to authorize another bank signature during the absence of the said Vice Presidents, and upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that the resolution entitled "REGULAR BANK ACCOUNTS", adopted at a meeting of the Board of Directors of January 3, 1936, be amended so that the signature of Dennis F. O'Brien be authorized as valid and enforcible when affixed to any instrument described in that resolution, as though it were the signature of a vice-president, and that the designation of Dennis F. O'Brien as a proper signatory to such instruments is made consonant with Article VI. Section 1, of the By-Laws, and that Dennis F. O'Brien be empowered to affix his signature validly to such instruments from May 1, 1939 to May 15, 1939 inclusive.

2. The Treasurer reported that the Chase National Bank had sold for the United Artists Corporation R.M. 22,763.24 at 3.96 cents and that this disposes of the German Marks belonging to the United Artists Corporation and Reliance Pictures, Inc. The Treasurer also reported that this was done with the approval of Reliance Pictures, Inc.

3. The Treasurer reported that all changes in the Directorates of the Continental European subsidiaries, approved by the Board of this company on October 7, 1938, had been duly made, and in addition in

Belgium - Mr. L. Lewis was elected as an additional director

and in

Czechoslovakia - Mr. L. Lewis was elected instead of Mr. L. Kastner (the approval of October 7th covered Kastner and not Lewis).

He also reported that United Artists Export has on file undated letters of resignation from all the local directors.

4. Argentine Surcharge on Exchange - At the Directors' meeting held December 10, 1938 a resolution was adopted which provided for the withholding from producers an amount equivalent to the estimated Argentine Surcharge claim and that all such withholdings be put in a special bank account.

Instructions were given to Argentine to make withholdings and to deposit in the special bank account, but Price, Waterhouse, in its report on the audit of the accounts as at December 31, 1938, states that such entries should never have been set up in the branch books as they might imply an acceptance of the Exchange Board's interpretation.

It was the unanimous opinion of all present that the special bank account in the Argentine be closed and that we discontinue withholdings in the Argentine, and in place thereof, make the necessary withholdings in New York in United States Dollars and deposit same in a special account to be opened for

that purpose in New York City and the respective producers are to be credited at the rate of exchange at the time of conversion of the Argentine currency into United States Dollars.

5. Canada Remittance Tax - Effective April 26, 1939 the Canadian Tax on remittances was increased from 5% of 40% of remittances to 5% of 100% of remittances. It was the unanimous opinion of all present that United Artists withhold the necessary moneys until further order of the Board.

6. St. John Lease - The Treasurer reported that United Artists Corporation, Limited (Canada) had renewed its lease of Exchange quarters at St. John, N.B. for a period of 2 years, commencing May 1, 1939, at a rental of $62.50 per month. The approval of the Board was given to the aforesaid act.

7. Contract with Teaching Film Custodians, Inc. - the General Manager was duly authorized, by the unanimous vote of the Board, to execute a certain contract with Teaching Film Custodians, Inc. for the use of non-current short subjects for use in classrooms, said contract to be subject to the individual producer's approval.

8. South Africa - Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that a subsidiary corporation be organized and incorporated under the laws of South Africa, that Arthur W. Kelly be and he is hereby authorized to cause the forming of such corporation and to supervise the fulfillments of the mechanics necessary for the commencement of such corporation and business in South Africa, and to employ Price, Waterhouse & Co. and such counsel as Price, Waterhouse & Co. may approve to handle the legal matters that may be involved, and that Arthur W. Kelly is hereby authorized to execute any and all documents or other instruments that may be necessary to accomplish the aforesaid.

9. The Treasurer reported that United Artists Corporation had received from Fortunio Bona Nova and Maury M. Cohen assignment dated March 15, 1939 transferring all rights to the motion picture LA IMMACULADA to Standard Capital Company.

Upon approval by counsel, Distributor's Acceptance was signed.

10. The Treasurer reported that the company had received from Bank of America, National Trust and Savings Association a Supplemental Mortgage, Pledge and Security Agreement dated March 31st, 1939 by and between Selznick International Pictures, Inc. and the bank, covering new advances of $200,000.00 to be secured by the photoplay "MADE FOR EACH OTHER."

Upon approval by counsel, Distributor's Acceptance

was signed.

11. The Treasurer reported that the company had received from Bank of America, National Trust and Savings Association a Mortgage, Pledge and Security Agreement dated March 31, 1939, by and between Selznick International Pictures, Inc. and the bank, covering an additional advance of $100,000.00 to be secured by the pictures "PRISONER OF ZENDA" and "TOM SAWYER."

Upon approval by counsel, Distributor's Acceptance was signed.

12. The Treasurer reported that the company had received a Chattel Mortgage, Assignment and Pledge Agreement, Credit and Amending Agreement dated April 7, 1939 by and between Edward Small Productions, Inc.and General Service Studios, Inc. covering advances to be made on the three Small pictures following "THE MAN IN THE IRON MASK."

Upon approval by counsel, Distributor's Acceptance was signed.

13. Payment of the following expenses was approved:

Expenses of Edward C. Raftery to and from California; expenses of Charles Schwartz to and from California.

14. Odeon - The Treasurer reported the receipt of a letter from London advising company that they have received all shares directly owned by United Artists Corporation, Limited in Odeon Cinema Holdings and Odeon Theatres, Ltd. and company received directly from the Guaranty Trust Company a certification of all United Artists Corporation, Ltd.'s shares in these two companies which are held for account of United Artists Corporation, Ltd. All shares are registered in the name of United Artists Corporation, Ltd. except 2,000 6% Cumulative Preference Shares in Odeon Theatres, Ltd., which were used for qualifying directors, and with respect to these shares Transfer Deeds in favor of United Artists Corporation, Ltd. are attached to the certificates.

15. Hays Organization - The Treasurer requested approval of the following payments to be made to the Hays Organization, and approval was unanimously given:

Indianapolis Amusement Co. v. Metro fees and disbursements	$34,387.69	Our Share	$1,805.3
Gorham v. Kurson, et al - disbursements	1,000.00	" "	52.5

Elliott v. Warner's fees and disbursements	7,506.15	Our Share		$350.43
Gary v. Columbia) Adelphia v. Paramount) fees and disbursements	15,282.69	"	"	867.44
Rivoli Theatre v. United Artists (Tampa) fees and disbursements	1,131.34	"	"	59.40
Washington Operating v. Paramount et al (Miami) fees and disbursements	1,007.35	"	"	52.89
United Artists v. James, West Va. Tax Commr. fees and disbursements	7,724.48	"	"	405.53
Boston Anti-Trust suits Disbursements	2,740.78	"	"	143.89
Owen v. Paramount, et al Fees and disbursements	658.83	"	"	35.19
U.S. v. Interstate Circuit et al fees and disbursements	31,298.82	"	"	1,799.68
Garbo Amusement Co. v. RKO et al fees and disbursements	1,377.09	Our share		$114.18
		paid	57.50	56.68

16. The Treasurer made a summary report of the Domestic cash position of the company. Discussion followed and it was the consensus of opinion that he prepare a summary worldwide cash position of the company and send copy to each Director; also send estimated profit and loss statement for the first four months of 1939, as soon as possible, to each Director.

17. DIVIDEND - It was moved, seconded and unanimously adopted that a dividend of Two Hundred and Fifty Thousand ($250,000.00) Dollars be declared to the stockholders of record as of May 2, 1939, payable on the 3rd day of May, 1939.

18. Vice Presidents - The General Manager proposed to the meeting that two additional Vice Presidents be elected to fill the vacancies, and upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that Harry Gold be elected a Vice President of the corporation and that Jack Schlaifer be elected a Vice President of the corporation.

19. GOLDWYN LITIGATION - the Directors asked for a report on the status of the Goldwyn litigation.

Mr. Raftery reported that Mr. Goldwyn had commenced an action in the Supreme Court, New York County, which had been removed by counsel for the company to the United States District Court, Southern District of New York; that in opinion of counsel complaint was defective in many respects and that before a motion could be made to dismiss, Mr. Goldwyn voluntarily discontinued the action. He then commenced a second action in the United States District Court in Delaware. Hon, George Wharton Pepper and Col. Robert H. Richards have been retained as local counsel, to work in co-operation with counsel for the company. That the second complaint, in the opinion of counsel, was likewise defective in many respects. That on April 28, 1939 a motion to dismiss the complaint had been filed in Delaware; that on May 1, 1939, Mr. Goldwyn filed a third complaint in Delaware and that counsel had not had an opportunity to fully determine whether the new complaint was likewise defective; that at the next meeting a report would be given as to whether a motion to dismiss would be made, or an answer on the merits filed.

There being no further business before the meeting, upon motion duly made and seconded, the same adjourned.

Edward C. Raftery
Secretary.

June 6, 1939.

MINUTES OF REGULAR MONTHLY MEETING OF BOARD OF DIRECTORS

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UNITED ARTISTS CORPORATION

A regular monthly meeting of the Board of Directors of United Artists Corporation was held on Tuesday, June 6, 1939, at 2:30 P.M., at the offices of the Corporation, 729 Seventh Avenue, New York City.

There were present:

Dennis F. O'Brien
Charles Schwartz
Emanuel Silverstone
James Roosevelt
Theodore Caruso,

constituting all of the directors of the Corporation.

There were also present:

M. Silverstone,	General Manager,
H. J. Muller,	Treasurer,
James Mulvey,	of Samuel Goldwyn, Ltd.
John Hay Whitney,	of Selznick International Pictures, Inc.
Lowell Calvert,	of Selznick International Pictures, Inc.
Edward C. Raftery,	Secretary.

Mr. O'Brien acted as Chairman of the meeting and and Mr. Raftery acted as Secretary thereof.

1. Mr. Raftery reported that copies of the minutes

of the meetings of April 4, 1939 and May 2, 1939, had been sent to all parties in interest. It was moved, seconded and unanimously adopted that the reading of the minutes of the two previous meetings be dispensed with and that the said minutes be approved.

2. The General Manager reported that after consultation with Mr. E. T. Carr, Joint Managing Director of the English subsidiary, and upon Mr. Carr's recommendation, he had arrived at the definite conclusion that it would be a serious mistake not to retain Mr. Oscar Deutsch as a director of the English Company.

After discussion, it was moved, seconded and unanimously

RESOLVED, that notwithstanding any resolution heretofore passed, the directorate of the English company be fixed at nine (9) in number, to consist of one representative to be designated by each of the stockholders, Messrs. Carr and Archibald of the Managment of the English company, Mr. M. Silverstone and Mr. Oscar Deutsch, and that instructions to this effect be given to Mr. Carr forthwith so that the meeting might be held and directors elected.

3. The General Manager then read a letter received from Mr. Deutsch, dated April 28, giving Mr. Deutsch's views on the quality of the new films of United Artists

and also his opinion regarding the law suit with Mr. Goldwyn. Mr. Roosevelt reported that Mr. Goldwyn had received word from Mr. Deutsch regarding Mr. Deutsch's attitude on the law suit.

4. Mr. Silverstone made a summary report regarding television in England. It was suggested that he give a full report to each of the producers using the facilities of United Artists for distribution regarding this situation.

5. Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the action of the General Manager (who previously consulted and obtained the approval of a number of individual directors) in proceeding with and if possible consummating the negotiations for the taking on of the French picture "Valse d'Amour", with a guarantee of Francs 1,250,000 payable over a period of 12 months be ratified and approved.

6. The General Manager reported that the negotiations between Marcel Hellman and the English company for the distribution in the British Isles of the dubbed English version of DOUBLE CRIME ON THE MAGINOT LINE, which negotiations with the approval of the individual directors were commenced sometime back, have now been completed and the contract has been signed. Terms of distribution in the British Isles are 70-30 with twenty free prints, with a 60 day option in favor of the Corporation for Australia, Singapore and India territories, the terms for these

territories being producer terms.

The foregoing was unanimously approved.

7. Upon motion duly made, seconded and adopted (Mr. O'Brien not voting), it was

RESOLVED, that the Corporation pay to O'Brien, Driscoll & Raftery, as additional compensation for work in connection with the Government law suit and other anti-trust litigation, an additional fee of $10,000.

8. The General Manager explained his negotiations with E. T. Carr, and after explanation, authority was unanimously given to him, if he so desires, to negotiate and consummate an employment agreement between the English subsidiary and Mr. E. T. Carr, continuing to employ him in his present capacity for a period of two years at a salary not to exceed £200 per week.

9. The General Manager reported that Samuel Goldwyn, Inc. had made a request for a copy of the distribution agreement recently made by United Artists Corporation with Selznick International Pictures, Inc. It was the consensus of the meeting that a copy of this agreement should be furnished to Mr. Roosevelt as soon as practicable.

10. Mr. Schwartz read to the meeting a series of articles that were written under the heading "ED SULLIVAN" in the New York Daily News and other newspapers, which he considered libelled not only United Artists but the individual producers who were mentioned therein.

Upon motion duly made, seconded and adopted by a vote of four to one, Mr. Roosevelt voting in the negative, the General Manager was authorized to take such action as he deemed proper for the best interests of the Corporation, in New York City and against such parties as counsel would advise that action should be taken, and he was authorized to engage counsel for such purpose.

11. The General Manager made a report on the Group Insurance carried by the Corporation on domestic employees. He reported that $1,092,000. insurance was being carried at an annual cost of $3911. Mr. Roosevelt suggested that study should be made with a view to creating a pension fund for employees after they have attained the age of sixty years and Mr. Silverstone replied that he had already undertaken such a study and would report on it at a later date.

12. The General Manager reported that last year's contribution to the Greater New York Fund by the Corporation was in the sum of $2500. It was moved, seconded and unanimously adopted that a similar contribution be made.

13. The following exchange leases were ratified and approved on Mr. Buckley's report:

NEW ORLEANS: The Corporation's lease here expires September 30. The monthly rental has been $250. Mr. Buckley has arranged a three-year renewal of the lease at $225. a month; in addition to the reduction, the landlord, at his own expense, will entirely redecorate the quarters and install an adequate air-conditioning system which will cost him around $2500., United Artists to pay the operating cost. Mr. Buckley further reports that he has been working on this renewal for the past six months and thinks the lease as now arranged is very advantageous to the Corporation. This lease has been signed.

KANSAS CITY: The Corporation's present lease expires August 31, 1941, a little over two years to run. The present rent is $275. a month. Mr. Buckley reports that he has been able to work out a proposition by which the landlord will install air-conditioning at his own expense, the Corporation to pay the operating cost if it agrees to an extension of five years in the present lease. Mr. Buckley reports that there is plenty of space and the quarters will be adequate throughout that period of time and recommends that the Corporation accept this proposition. Mr. Buckley further reports that this lease has been signed.

TORONTO: The Corporation's lease here expires September 30, 1939. The rental is $435. a month. The lease contains an option for renewal by the Corporation for a period of one year at the same rent. Mr. Buckley reports that the quarters are entirely adequate, in a new and modern building, and he would like approval to renew for an additional one year.

ST.LOUIS: The rental here is $250. a month. The lease expires in the middle of February, 1941, having about 1½ years to run. Mr. Buckley reports that they are very crowded for office space and he has been working on the situation

for many months and can make the following deal for quarters owned by the same landlord:

The present lease is to be cancelled, and the Corporation is to enter into a new six-year lease. This means that it is taking a commitment of 4½ years in addition to what it now has. All alterations and decorations are to be done at the landlord's expense. He will install an adequate cooling system. The rent is to be $400. a month.

Mr. Buckley further reports that while this is a substantial increase over what we are now paying, he considers same justified because the present quarters are entirely inadequate and he has endeavored for more than a year to work out some sort of proposition at a rent more nearly in line with what the Corporation is paying.

14. The General Manager made an exhaustive report on the Walter Wanger Company situation, including, among other things, that Mr. James A. Mulvey had resigned as a director of the Wanger Company and that the vacancy has not yet been filled. He also reported that the last Wanger picture to be completed was "WINTER CARNIVAL", and that the picture was fully paid for and that the Wanger Company had $438,000. to its credit in the Bank; that in addition, the residual value of released pictures was a considerable sum.

15. The expense accounts of Mr. Silverstone and Mr. Raftery in connection with their recent trips to California were presented and approved.

16. Mr. Muller reported that Mr. Guy Croswell Smith left New York on May 17th for Cristobal to take over the position as Sales Manager in place of Paul M. Wir, resigned. Because of currency restriction in Nicaragua we have placed the bank account under the control of the Cristobal employees. Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that the following resolution be filed with the Banco Nacional de Nicaragua, Managua, Nicaragua, in place and stead of the resolution dated February 26, 1937, now on file with the said Banco Nacional de Nicaragua, Managua, Nicaragua;

RESOLVED, that the Banco Nacional de Nicaragua, Incorporado, at Managua, Nicaragua, be notified that either Guy Croswell Smith or Adolph Wilhelm Wriedt, is hereby given authority to authorize the payment out of the account of United Artists Corporation upon deposit in the Banco Nacional de Nicaragu, Incorporado, at Managua, Nicaragua, and that said Banco Nacional de Nicaragua, Incorporado, is hereby authorized upon proper written authority from either Guy Croswell Smith or Adolph Wilhelm Wriedt to pay over moneys in accordance with such written authorization out of the account of United Artists Corporation, such authori zed payments at no time to be larger than the amount then on deposit to the credit of United Artists Corporation,

and that the Assistant Secretary Harry J. Muller be and he hereby is authorized to certify to the correctness of the above resolution and to send the same to the Banco Nacional de Nicaragua, Incorporado, at Managua, Nicaragua.

17. Mr. Muller reported that United Artists Corporation received a Mortgage, Pledge and Security Agreement dated May 8th, 1939, concerning the proceeds of PRISONER OF ZENDA, TOM SAWYER and THE YOUNG IN HEART. Upon approval by counsel, the Distributor's Acceptance was signed.

18. Mr. Muller also reported that United Artists Corporation received Notices of Irrevocable Authority and letters of request concerning the proceeds of the pictures ACTION FOR SLANDER and SOUTH RIDING. Upon approval by counsel, the Acknowledgements of these papers were signed.

19. Mr.Muller also reported that United Artists Corporation had received Notices of Irrevocable Authority dated March 30, 1939 concerning the proceeds of PRISON WITHOUT BARS. Upon approval by counsel, the Acknowledgements of these papers were signed.

20. Mr. Muller also reported that United Artists Corporation received an Assignment dated May 26, 1939, concerning the proceeds of INTERMEZZO and REBECCA. Upon approval by counsel the Distributor's Acceptance was signed.

21. Mr. Muller further reported that the Corporation had received from the Hays Organization request for payment of $38.36, representing its pro rata share of $730.65 disbursements in the matter of Smith v. Metro. Payment of the aforesaid amount was unanimously approved.

22. The General Manager reported that United Artists had received from Walter Wanger Productions, Inc. balance sheets as of April 29, 1939 and May 27, 1939, and several weekly reports; that they are in the possession of Mr. Muller and available for the inspection of all directors.

23. The General Manager further reported that in connection with the audit of the Corporation's books, Price Waterhouse representatives have stated that they do not believe any reserve will be necessary against the Corporation's investment in Walter Wanger Productions, Inc.

24. The General Manager reported that United Artists Corporation had received from United Artists (Australasia) Pty. Limited, minutes of meeting of directors' proxies held February 22, 1939; that they are in the possession of the Treasurer, Mr. Muller, and available for the inspection of all directors.

25. The General Manager reported that British and Dominions Film Corporation has requested that United Artists return to them the pictures ESCAPE ME NEVER and BREWSTERS MILLIONS for all territories of the world except for those contracts which are unplayed and unexpired licensed agency arrangements. Approval was unanimously given provided counsel approves the form of documents and general releases are secured from British and Dominions.

26. Re: ODEON: The General Manager stated that at a meeting of the Board of Directors held February 13, 1939, approval was given to an extension of six months from November 22, 1938, for the repurchase by Messrs. Deutsch, Elcock and Bates of the 15,000 £1 Preference Shares in Odeon Theatres, Ltd. owned by United Artists Corporation, Ltd. A further extension has been requested for a further period to November 22, 1939, and also a request that United Artists Corporation accept the guarantee of Odeon Cinema Holdings, Ltd. in place of that of Messrs. Deutsch, Elcock and Bates.

Upon motion duly made and seconded, it was unanimously

RESOLVED, that the repurchase date be extended to November 22, 1939, but that at this time the request for the substitution of the guarantee be denied, the guarantee to remain the same until further action by the Board and upon a report from Mr. Silverstone after he discuses the Odeon matters with Mr. Deutsch personally.

27. The General Manager reported that Price Waterhouse and Company requested that the Board of Directors ratify and approve the execution of the three contracts entered into May 12, 1939 with Selznick International Pictures, Inc., these being the same agreements that were authorized at the stockholders meeting held January 16, 1939, and at the directors meetings held February 7, 1939 and April 4, 1939.

Upon motion duly made, seconded and adopted by a vote of four of the directors (Mr. Roosevelt not voting) it was

RESOLVED, that the acts of the officers in executing the aforesaid three agreements be hereby ratified and approved.

28. Mr. Raftery reported on the status of the Goldwyn and Government law suits and certain new litigation that has been begun since the last meeting.

29. Mr. Roosevelt asked that the following letters be made part of the minutes of the meeting:

1. Letter from Mr. Silverstone to Samuel Goldwyn, Inc. dated May 23, 1939.

2. Letter from Samuel Goldwyn, Inc. signed by Mr. Mulvey, to United Artists Corporation, dated May 31, 1939.

The General Manager stated that he had not replied to Mr. Mulvey's letter because of the arrangement that he had had with Mr. Mulvey that the letter should not be replied to for the time being, but that he would prepare a reply before the next meeting and requested that his reply be incorporated in these minutes.

30. The General Manager reported that various correspondence had been received from London concerning Odeon; that the same was in the possession of Mr. Muller and available for the inspection of the directors.

31. The estimated world-wide profit and loss for the four months ending April 29, 1939, together with the approximate cash in banks as at that date was read in detail to the Meeting and copies thereof made available to any directors who wished to have them.

There being no further business before the meeting, upon motion duly made and seconded, the same adjourned.

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Secretary

UNITED ARTISTS CORPORATION

729 SEVENTH AVENUE

NEW YORK

May 23, 1939.

Samuel Goldwyn, Inc.
729 Seventh Avenue
New York City

Attention: Mr. James A. Mulvey

Dear Sirs:

There has been called to my attention a memorandum written by you and addressed to Harry Gold, regarding an attempt on your part to contract directly with the Rivoli Theatre, for the exhibition in that theatre of two so-called "Samuel Goldwyn photoplays" to wit, "MUSIC SCHOOL" and "THE REAL GLORY".

In an agreement dated the 22nd day of July, 1936, you granted to the undersigned the sole and exclusive right, license and privilege to exploit, distribute and exhibit all photoplays produced by you, in all countries of the world. In other words, you appointed, for the period up to and including the 2nd day of September, 1945, the United Artists Corporation, as your sole distributor and that under said grant you have no right, at any time, without our consent, to negotiate directly with any exhibitor for the exhibition of any of the aforesaid photoplays.

We therefore object to any attempt on your part, and particularly to the attempt that you have heretofore made, to negotiate directly with the operators of the Rivoli Theatre, New York City, and we must insist that you stop alldirect negotiations with exhibitors for any of the Samuel Goldwyn photoplays as we are ready, willing and able, just as we have in the past to carry on all negotiations with all exhibitors so as to secure for you full and complete distribution.

May we further call to your attention the facts regarding the 1938-39 commitment made by us, with your approval, with the Radio City Music Hall, under date of August 7, 1938. In this agreement, four Samuel Goldwyn productions were definitely committed. "COWBOY AND THE LADY" has been delivered; "WUTHERING HEIGHTS" was released by the Music Hall but the other two pictures have not been released by the Music Hall. "WUTHERING HEIGHTS" was released

by the Music Hall after you hade demanded it of us and after your counsel had prepared certain notices which were sent to the Music Hall at your request.

As explained to you then, and reiterated now, we did not believe that the Music Hall had violated its contract with you by not dating in "WUTHERING HEIGHTS" on the date you wished. We felt that they could avail themselves of the terms of our exhibition contract and date following "DARK VICTORY" just as they could following "THE CASTLES" picture. We, however, have always been guided by you on all matters regarding your pictures and even though firm contracts were in existence, we always used our best efforts to satisfy your wishes. This is just what happend with "WUTHERING HEIGHTS" and we now wish to know what you wish us to do regarding the Music Hall. We certainly cannot deal with the Rivoli Theatre with these outstanding commitments.

Again, may we call yoour attention to paragraph 14, on page 29 of the contract between us? That specifically provides that all photoplays distributed by us shall be released in sequence of delivery. "FOUR FEATHERS" has been delivered to us and has been definitely set for release on July 15th in New York City. Negotiations were commenced over a month ago with the Rivoli Theatre for the exhibition of this picture at that theatre. Naturally, if your picture "MUSIC SCHOOL" is to be delivered to us, it will be released in sequence of delivery, just as we have always done in the past.

To this date, you have failed tonotify us when you intend to deliver the picture and just and as soon as you give us notice of date of delivery, we will fix the release date as provided in paragraph 3rd on page 5, which specifically states that the general release date of each photoplay shall be designated by the distributor, such date to be at least 20 days from and within 60 days of the date of the delivery of the negative and positive copies.

So far as consistent with the terms of this agreement, we will be guided by you as to the date of release. We therefore ask you the following specific questions:

1. Do you wish us to try to get out of the commitments at the Music Hall? If so, please instruct us.

2. When do you contemplate delivering "MUSIC SCHOOL?"

3. When do you contemplate delivering "THE REAL GLORY?"

Would appreciate an immediate written reply.

Sincerely yours,

(signed) M. Silverstone

FG General Manager

May 31, 1939.

United Artists Corporation
729 Seventh Avenue
New York, N, Y.

Attention: Mr. Murray Silverstone,
General Manager.

Gentlemen:

Your letter of May 23 was duly received.

If you will kindly refer to our memorandum dated May 17, 1939 addressed to your Mr. Harry Gold, you will find neither the sending of the said memorandum nor any of its contents in any wise justifies your comment to the effect that we attempted to contract directly with the Rivoli Theatre.

It is clearly within our rights under our distribution contract of July 22, 1936, and in accordance with the practice and custom heretofore uniformly followed between us, to negotiate the terms upon which our pictures should be exhibited, so long as the contract of exhibition is entered into by you as our distributor. In this connection may I call your attention to the provisions of Article "C" subdivision 2, paragraph 10 of said contract which reads as follows:

> "The Producer reserves the right to control and determine the sales and distribution policy to apply and govern its own photoplays, and to direct the Distributor to license the exhibition of its own photoplays with each exhibitor, upon such terms and conditions as to the Producer may seem fit."

You state in your letter that you have been granted the sole and exclusive right, license and privilege to exploit, distribute and exhibit all photoplay s produced by us, and you interpret this to mean that under the said grant we have no right at any time without your consent, to negotiate directly with any exhibitor for the exhibition of our photoplays. If by that you mean that we have no right to negotiate a contract directly between us, as the producer and the exhibitor, we have no quarrel with you, but if by that you mean that we as the producer have been deprived of our fundamental and inherent right to contract the exhibitor concerning terms and playing time for our pictures, the actual contracto to be entered into between you as our distributor and the exhibitor, then you have committed fundamental error. We

have always discussed from time to time with various exhibitors, play dates and terms upon which our pictures should be distributed but the contracts of course, have always been made through you, following our instructions, which is exactly in accordance with our said distribution contract.

Furthermore, the said distribution agreement, when read as a whole, is the clearest indication and exposition that as between you and us we reserve the right to control and determine your sales and distribution policy conerning our product and to direct you to license the exhibition of our product with exhibitors upon such terms and conditions as to us, the producer, might seem fit. And we furthermore reserve to ourselves in the said contract, the right to reject any contracts proposed by you with an exhibitor which do not meet with our approval.

In any event, whatever our rights might be in a normal and usual situation, in view of the unusual circumstances, and in a sense the emergency which has come about by reason of the default by the Radio City Music Hall of its contract with you dated August 17, 1938 and the termination of the said contract by you as per your letters of March 28, 1939 and March 30, 1939, addressed to ~~Mrx~~ Mr. W. G. Van Schmus, managing director of Radio City Music Hall, we did and most certainly had the right to take such steps not inconsistent with your activities to secure the best terms available for the exhibition of our forthcoming pictures MUSIC SCHOOL and THE REAL GLORY, into the production of which they have been invested substantitial sums of money.

In similar or allied situations which have heretofore arisen on numerous occasions we and the other producers and stockholders have similarly acted to the benefit of yourselves and the particular producer then involved and at no time has such practice ever been challenged or protested against by you, all of which constitutes further substantial proof that your real understanding of our rights in the premises has heretofore been in accord with ours.

Please note therefore that we intend, so long as the said agreement of July 22, 1936, remains in force and effect, to exercise our right of negotiation thereunder and that we shall insist in each and every such instance, that you shall execute an exhibition contract with such exhibitor for our product.

Only under such arrangement, with each of us striving to find and obtain a suitable exhibitor and the best available terms, will we achieve results that will eventually be mutually beneficial to you and to us.

We note with astonishment and amazement the statements contained in the 4th and 5th paragraphs of your said letter pertaining to your supposed existing commitment with Radio City Music Hall under the said contract dated August 17, 1938. First, we wish to call to your attention that, as clearly as can be stated in the English language, you in your said letters dated respectively March 28, 1939 and March 30, 1939 unequivocally and with finality advised the Radio City Music Hall that by reason of its breach of the said contract of August 17, 1938, you have terminated "said contract with respect to WUTHERING HEIGHTS as well as the unreleased pictures DARING AGE and THE LAST FRONTIER. (DARIN G AGE IS NOW KNOWN AS "Music School" and THE LAST FRONTIER is now known as "The Real Glory"). Furthermore, the agreement of indemnity between us as reflected in your letter to us dated April 10, 1939 and accepted by us, was a solemn confirmation and re-affirmation as between us that we would stand upon the position that you had taken, with our concurrence and consent, that the said contract of August 17, 1938 was in all respects terminated, not only as to WUTHERING HEIGHTS but also as to the two remaining unreleased pictures.

Under these circumstances we are completely at a loss to understand why you should at this time make any inquiry of us concerning any such commitment from you to Radio City Music Hall, which commitment, in fact, no longer exists.

We further take particular exception to the statement contained in the 5th paragraph of your said letter in which you say "As explained to you then and reiterated now, we did not believe that the Music Hall had violated its contract with you by not dating in WUTHERING HEIGHTS on the date you wished. We felt that they could avail themselves of the terms of our exhibition contract and date following DARK VICTORY just as they could following THE CASTLES picture". We deny that you at any time prior to the receipt by us of your letter of May 23, 1939, expressed such view, nor could we reconcile such a view if you then entertained it, with your views as embodied in your said letters of March 28 and March 30, 1939 addressed to the Rado City Music Hall. Whatever your views, we are of the unreserved opinion that Radio City Music Hall did substantially breach its contract with you and that you were wholly justified in terminating the said contract of August 17, 1938 by reason of such breach. In conducting the said negotiations with the Rivdi Theatre with a view towards it exhibition of our said

pictures, MUSIC SCHOOL and THE REAL GLORY, we did so in the best of faith and with the knowledge and understanding that you were no longer committed with the Radio City Music Hall as regards those pictures and wholly without knowledge that you were or contemplated negotiating with the Rivioli Theatre for the exhibition of FOUR FEATHERS. Your letter to us dated May 23, 1939 was the first information we had from any source of your said alleged negotiations with the Rivoli Theatre pertaining to FOUR FEATHERS.

Whether the Rivoli Theatre will eventually take our said pictures or FOUR FEATHERS must and will of course, depend entirely upon the wishes and desires of the Rivoli Theatre. Under our said contract of July 22, 1936, and you must so clearly understand, it does not lie within your power to dictate to the Rivoli theatre, contrary to its own wishes and desires, that it must take FOUR FEATHERS in preference to our pictures, and this is so whether or not FOUR FEATHERS was delivered to you prior in sequence tothe delivery by us to you of either of our said pictures. In any event, please be reminded that FOUR FEATHERS was in effect delivered to you as far back as April 17, 1939 when it was exhibited for the first time and as we read and understand your contract with London Film Productions, Ltd. and Alexander Korda dated September 2, 1935, you were under obligation to distribute said FOUR FEATHERS within 60 days after the said date of April 17 , 1939, which 60 days will expire on June 16, 1939. We fail therefore to understand why you are at this time negotiating a release of that picture for July 15, 1939 in New York City. Furthermore, the fixing of release dates in sequence of delivery should not apply in cases where release dates of other photolays are not consistent with the provisions of the distribution contracts with respect to such other photo lays, and we certainly cannot consent to the fixing of a release date or pre-release date for Mr. Korda's picture, FOUR FEATHERS, at a time subsequent to the provisions of his distribution contract wit h you so as to interfere with the exhibition of our picture at the Rivoli Theatre as arranged. But whether or not we are correct in our interpretation of the said contract of September 2, 1935, we repeat and urge upon you seriously that if the Rivoli Theatre should prefer our said pictures over FOUR FEATHERS and the Rivdi Theatre should be willing to enter into contracts with you there-

for on fair and equitable terms agreeable to us (as it has already indicated), then you are bound to enter into such contracts for the exhibition of our said pictures and that if you fail to do so we will hold you strictly accountable for what we deem will be a most serious and additional substantial breach by you of the said contract of July 22, 1936.

We regret to here state that the whole tenor of your said letter to us dated May 23, 1939 indicates a wholly unjustified desire on your part to attempt to create misunderstandings and disputes between you and us where none ever has or normally would occur. If this has occurred by reason of the pending litigation between you and us, it is wholly unjustified and we regret it sincerely. Up to such time as the Court will, if it will, terminate the said contract between us dated July 22, 1936, we will fully perform, as we have in the past fully performed our obligations thereunder in the best of faith and we have trusted and still trust that you will see fit to perform your obligations thereunder in a like spirit of co-operation.

Specifically answering your questions, please note:

1. Our answer is "No" because there are not commitments to the Music Hall.

2. About July 1, 1939.

3. We will advise you at least four weeks in advance of the Delivery date as provided in our said contract of July 22, 1936. According to Article 14 of our distribution contract, the distributor agrees to notify the producer of the date of receipt of each photoplay it receives for distribution from any other producer. Accordingly, we request herewith that you notify us in writing pursuant to this provision.

This letter and any and all statements therein contained are without prejudice to our rights in the action now pending between us.

Yours very truly,

SAMUEL GOLDWYN, INC.

J. Mulvey

Vice-President

June 7th, 1939.

Samuel Goldwyn, Inc.
729 Seventh Avenue
New York City.

Attention Mr. James A. Mulvey,
Vice-President.

Gentlemen:

As explained to your Mr. Mulvey at the United Artists Meeting held yesterday, the reason we did not reply to your letter of May 31st was because of the understanding clearly arrived at between the writer and Mr. Mulvey that there was to be no reply - and the matter was to be kept in abeyance until such time as Mr. Harry Gold had an opportunity todiscuss the MUSIC SCHOOL and THE REAL GLORY with the Music Hall, with a view of getting an amicable settlement; you likewise agreed that it was the proper procedure to try and adjust the thing in a friendly fashion with the Music Hall, readily appreciating that one of these days you might need the Music Hall for your pictures and it was therefore unwise to be on an antagonistic basis with them.

In view of the above, we were greatly surprised at your attitude in asking that our letter of May 23rd and your reply to May 31st be incorporated in the Minutes (to which of course we had no objection), but at the same time we must state that we feel your request was not in keeping with the understanding we had.

Replying categorically to the points raised in your letter of May 31st:

You mention that there was nothing in the memorandum to Harry Gold, dated May 17th, that you attempted to contract directly with the Rivoli Theatre. You are dodging the issue which is that without our knowledge or consent you directly negotiated with the Rivoli, independent of us, which we contend you have no right to do.

You likewise state that in accordance with the practice and custom heretofore uniformly followed between us, you have the right to negotiate the terms upon which your pictures should be exhibited. I presume by that state-

ment you mean to imply you have been negotiating with exhibitors directly, with our consent, as a matter of uniform policy, and therefore it has become a custom. This is completely untrue, as you well know.

We are fully aware of Article "C", subdivision 2, paragraph 10 of your contract which, however, does not give you any right to negotiate directly with exhibitors "ab initio".

Referring to the last paragraph on page one of your letter, it was completely unnecessary for you to have gone to the bother of setting forth what you know is an obvious fact, for the reason that we have, at no time, actually or inferentially suggested that you could not approach an exhibitor in regard to your pictures, but the point we mention in connection therewith, clearly and unequivocally is that you cannot initiate negotiations because that is a function entirely reserved to us. You have the rull right to contact an exhibitor after you have rejected a contract that we have secured, with a view of bettering it.

Once again, referring to the last sentence of the last paragraph on page one, of your letter, any discussions, with our knowledge, that you may have had with various exhibitors with regard to play dates and terms, in connection with your pictures, have been in cases where we could not get the terms you required and therefore your discussions were predicated upon your rights to better the contract in question.

As to paragraph one, on the second page of your letter, no one has ever disputed the fact that you have the right to control the sales policy of your product, and we have always recognized that fact, but at the same time we again strictly emphasize to you the fact that you have no right, under our distribution agreement, to initiate any negotiations with exhibitors. This function has been reserved to us, subject, of course to your rights of acceptance, betterment or total rejection.

We do not understand what you are referring to in the third paragraph on page two of your letter. If you mean that other producers have intitiated negotiations, without any protest from us, then you are entirely wrong in making such a statement. If you mean something else, perhaps you will let us know so that if it calls for a reply, we will do so.

Regarding MUSIC SCHOOL and THE REAL GLORY at the Music Hall, we have already explained our attitude in connection therewith, and if you will again refer to our letter of May 23rd, you will find it clearly set forth therein. I would make this addi-

tional observation, however, that there is no reason for your having any "astonishment" or "amazement" because you clearly knew - and it was told you in plain language - that we did not share your opinion that the Music Hall had breached their contract with us, but that in the spirit of cooperation, with a view of helping you once again to get what you wanted,- we were willing to send to the Music Hall what we term "a self serving declaration" that they had breached the contract. I repeat that this letter to the Music Hall was dictated by your counsel, Mr. Dwight, and I am sure you will not deny this. Is it not obvious to you that if there had been a clearcut breach of contract by the Music Hall, that the question of indemnity would not have arisen? The fact that we asked for an indemnity is proof positive that we did not share your view and therefore wanted to be protected.

Referring to the second paragraph of your letter, on page 3. We emphatically told you, prior to May 23rd, that we did not share your view that there had been a breach by the Music Hall, but, as above explained, at your insistence, we wrote the letter to the Music Hall.

I must take issue with your Mr. Mulvey that he did not know we contemplated negotiating with the Rivoli Theatre for the exhibition of FOUR FEATHERS. On our way out to California, on May 8, 1939, I told Mr. Mulvey what a great picture Mr. Korda had in FOUR FEATHERS and that we (United Artists) were considering playing same at the Rivoli Theatre commencing about July 15th, pointing out to him that if it ran four or five weeks it would be available for general release in New York City, the beginning of September. I am advised that shortly after Mr. Mulvey's arrival in California he telephoned to New York City and spoke with Mr. John Wright, Manager of the Rivoli Theatre, and comenced negotiations with him for July 15th for MUSIC SCHOOL, - this being after he knew we contemplated playing FOUR FEATHERS at that time, in the Rivoli Theatre.

Regarding our obligations as to when to release FOUR FEATHERS, that of course is no concern of yours, as long as we do not infringe upon your rights under your distribution contract, which, of course, we do not intend to do and as we have hitherto never done.

I would like to remind your Mr. Mulvey, as evidently he has forgotten, of Clause 14 in the distribution contract, which provides for priority of releases according to delivery dates, and if your reference had been made to that Clause it would have been unnecessary to write as you did in that respect.

We, likewise, regret the whole tenor of your actions in this matter and we must express our complete surprise at what we consider lack of good faith in your attitude toward us.

Upon receipt of your letter of May 31st the writer, personally, told Mr. Mulvey it was our most earnest desire, intention and wish - and meant every single word of it, and still means it,- to work to the fullest cooperation with your organization in regard to all pictures delivered or to be delivered by your company. Mr. Mulvey expressed a similar wish. He even went so far as to talk to Mr. Harry Gold, at which time he (Mr. Mulvey) told him how sorry he was at the misunderstanding that existed - which entirely originated as a result of your unwarrantable interference in the conduct of the selling of your product. Mr. Gold was delighted at Mr. Mulvey's attitude which, I am sure, if maintained in good faith and not dissipated, can and would only result in fine accomplishments both for your company and ourselves in connection with your pictures.

We have, over the years, demonstrated that this company is extremely capable, in all countries throughout the world, of obtaining for you the highest conceivable results and all we ask of you to is to cooperate with us and not hinder us in maintaining what we consider a fine achievement.

Replying to question 3, on page four of your letter, the only unreleased picture we have on hand is FOUR FEATHERS, the original print of which was received here by us on May 1st, 1939, and the revised print, that is to say, the form in which it will be released, was delivered here to us on June 5th, 1939.

Just as you say, on the last page of your letter of May 31st, that any and all statements therein contained are without prejudice to your rights in the action now pending between us, we likewise put you on notice to similar effect.

In view of your request at our last Board Meeting to incorporate in the minutes our letter of May 23rd and yours of May 31st, on the above subject, we propose that this letter likewise be incorporated.

In conclusion, I would like to make a final and sincere plea for harmony between us, in regard to the selling of your pictures; your objective and ours in regard thereto, is identical. Both you and ourselves are undoubtedly anxious to

obtain the highest possible results and this can be achieved only if harmony prevails. I would suggest therefore that we stop all this letter writing and put our shoulders to the wheel to achieve our mutual objective.

Sincerely,

M. Silverstone
General Manager

MS:FG

TO THE DIRECTORS OF UNITED ARTISTS CORPORATION:

PLEASE TAKE NOTICE that due to the fact that the first Tuesday in July falls on July 4, the regular monthly meeting of the Board of Directors of United Artists Corporation will be held on July 11, 1939, at 2:30 o'clock in the afternoon, at the offices of the Corporation, 729 Seventh Avenue, New York City.

Secretary

July 11, 1939.

MINUTES OF REGULAR MONTHLY MEETING OF BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

A regular monthly meeting of the Board of Directors of United Artists Corporation was held on Tuesday, July 11, 1939, at 2:30 P.M., at the offices of the Corporation, 729 Seventh Avenue, New York City.

There were present:

Dennis F. O'Brien
Charles Schwartz
Emanuel Silverstone
James Roosevelt
Theodore Caruso,

constituting all of the directors of the Corporation.

There were also present:

Miss Mary Pickford,	President of The Pickford Corporation,
H. J. Muller,	Treasurer,
M. Silverstone,	General Manager,
James Mulvey,	Of Samuel Goldwyn, Inc.
Loewell Calvert,	Of Selznick International Pictures, Inc.
Edward C. Raftery,	Secretary.

Mr. O'Brien acted as Chairman of the meeting and Mr. Raftery acted as Secretary thereof.

1. Mr. Raftery reported that copies of the minutes

of the meeting of June 6, 1939, had been sent to all parties in interest. It was moved, seconded and unanimously adopted that the reading of the previous minutes of June 6, 1939, be dispensed with and that the said minutes be approved.

2. The General Manager reported that Mr. Lowell Calvert, on behalf of Selznick International Pictures, Inc., had requested acceleration of payments to his company on domestic film rentals; that is, payment within ten or eleven days instead of the customary three weeks provided for in the distribution contract.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that for a period to terminate not later than December 31,1939, unless further extended by order of the Board, the Treasurer is hereby authorized to accelerate payments to Selznick International Pictures, Inc. on pictures during the first six months of their general release domestically, so that payments thereon shall be made within a period of approximately ten days instead of within the three-week period provided for in the contract.

3. Mr. Emanuel Silverstone made a similar request on behalf of London Film Productions and Alexander Korda.

Upon motion duly made and seconded, the

same courtesy extended to the Selznick International Pictures, Inc. in the preceding resolution was directed to be extended to London Film Productions and Alexander Korda.

4. Mr. Mulvey made a similar request on behalf of Samuel Goldwyn and Samuel Goldwyn, Inc.

Upon motion duly made and seconded, the same courtesy extended to the Selznick International Pictures, Inc. and to London Film Productions and Alexander Korda was directed tobe extended to Samuel Goldwyn and Samuel Goldwyn, Inc.

5. The General Manager reported that on June 9, 1939, the London office advised United Artists by cable of an offer that they had received of £8500 for approximately 2,350,000 Czech Crowns; that he immediately canvassed the individual directors and principal producers by telephone, and received approval, which he immediately cabled to London. Approval has since been received from all other American producers.

Upon motion duly made, seconded and unanimously adopted, the action of the General Manager was ratified, and

particularly in regard to the Corporation's share of the above amount.

6. The General Manager reported that on July 3, 1939, the London office advised United Artists by cable that London Film Productions had a possibility of selling all their Lire accumulated from the distribution of their pictures in Italy by Mander Films, including 31,000 Lire representing United Artists 5% commission, at the rate of 230 Lire to the Pound Sterling; that London had recommended approval, and the General Manager had cabled approval.

Upon motion duly made, seconded and unanimously adopted, the action of the General Manager was ratified and approved.

7. The General Manager reported that a Notice of Irrevocable Authority, dated May 1, 1939, concerning the proceeds of the English picture AN ENGLISHMAN'S HOME had been duly received and approved by counsel. Upon approval by counsel, receipt thereof was duly acknowledged.

8. The General Manager also reported that a Supplementary Mortgage of Chattels, Loan Agreement, Assignment and Pledge Agreement, dated June 19, 1939, concerning the

proceeds of DUKE OF WEST POINT, KING OF THE TURF and MAN IN THE IRON MASK, together with three additional pictures to be produced by Edward Small after MAN IN THE IRON MASK, had been received. After approval by counsel, the Distributor's Acceptance was signed.

9. The General Manager reported that he had received from Mr. Milstein, on behalf of Edward Small, a request for the return of the United States and Canadian distribution rights of the following pictures:

I COVER THE WATERFRONT
JOE PALOOKA
COUNT OF MONTE CRISTO
TRANSATLANTIC MERRY-GO-ROUND
LET 'EM HAVE IT
RED SALUTE
MELODY LINGERS ON
LAST OF THE MOHICANS.

The General Manager stated that all of these pictures were still in distribution and the Corporation was still receiving substantial film rentals.

It was the consensus of the meeting that the request should be refused at this time.

10. Mr. Muller asked approval of the payment of the following Hays Organization Special Legal Fund Disbursements:

Pollard v. Maine & New Hampshire, et al.....$78.76
Canadian Remittance Tax..... 15.48
North Carolina Tax Matters.....150.00
Special Legal Account General Budget.....315.00

Mr. Raftery also requested approval of bill of Carney, Koester & Le Bow, Shorthand Reporters, in the case of La Crosse Theatres Co. v. United Artists, in the sum of $43.00.

Approval was given on all of these items.

11. The General Manager reported the receipt of minutes of the following subsidiaries:

(a) Receipt of Minutes of Board Directors Meeting of United Artists Corp. Ltd., England, dated June 7, 1939;
(b) Receipt of Minutes of Board Directors Meeting of United Artists (Export) Ltd., dated May 22, 1939;
(c) Receipt of Minutes of Board Directors Meeting of United Artists (Australasia) Pty. Ltd., dated April 12, 1939
(d) Receipt of Minutes of Extraordinary General Meeting of United Artists (Export) Ltd., dated May 31, 1939.

12. The General Manager advised the Board of the contents of a letter he received from Mr. Archibald dated June 30, 1939, together with the enclosures referred to therein regarding ODEON; also letter dated July 3, 1939; also his cabled reply thereto; that he had given said correspondence to Mr. Muller who had placed same on file with previous Odeon correspondence, all of which is available to any Director desiring to peruse same.

13. The General Manager read to the Board cable received from Mr. Carr and Mr. Archibald in regard to the Convention held in London July 7, 1939.

14. The General Manager read a letter from Mr. George Archibald, dated June 29, 1939, with reference to indemnity agreements to be given to nominal shareholders of United Artists Corp. Ltd. in connection with dividends, together with the proposed indemnity agreement. The agreement was referred to Mr. Raftery for examination and if approved by him the proper officers were directed to sign same.

15. The General Manager referred to the resolution passed at the Board Meeting on February 13, 1939, that no expenditure of any Director or Stockholder should be made or approved except by the Board of Directors of this Corporation, stating that it was never intended that this resolution should apply to the expenditures of any director who performed services at the request of the General Manager in another capacity, such as, for instance, performing legal services for the corporation.

Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that the resolution of the Board of Directors of February 13, 1939, be amended to comply with the General Manager's request.

16. The matter of the Argentine 1931 Income Tax was tabled until the next meeting.

17. The General Manager reported that Mr. Buckley, acting under his direction, had concluded an agreement with Tooker Lithograph Co., whereby the present contract between Tooker Lithograph Co. and United Artists Corporation has been extended for a period of one year from July 5, 1939. A memorandum from Mr. Buckley on this subject was read to the Board.

18. The General Manager requested that the Treasurer be authorized to pay to Messrs. Sonnenschein, Berkson, Lautmann, Levinson & Morse, as per Mr. Raftery's letter of July 5, 1939, a fee of $1000. Messrs. Sonnenschein, Berkson, Lautmann, Levinson & Morse have been engaged by General Counsel to represent United Artists in the contempt proceedings now pending before the United States District Court in Chicago in the case of U. S. v. Balaban, et al.

Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that the Treasurer be authorized to make said payment.

19. The General Manager reported that he had rejected the following distribution offers:

(a) 2 Series of Short subjects (12 releases each) of ODDITY SHORT REEL PRODUCTIONS to be made by W.G. Miller, Brydon, Baker and Arthur L. Cohen as per Mr. Miller's letter of June 29, 1939;

(b) Series of Technicolor 3 or 4 reel subjects described as "PUPPET FILMS" to be produced by Jos. Losey in accordance with his letter of June 20, 1939.

(c) Feature picture to be produced by Chester Franklin comparable to SEQUOIA in accordance with correspondence received from S. George Ullman, dated June 8, 20 and 28, 1939.

(d) Series of Short subjects to be produced by Walter Lantz in accordance with telegram from Loyd Wright, dated June 30, 1939.

(e) Series of 2 reel musical shorts to be produced by Harry Carroll and Sam Howard in accordance with letter received from Sam Howard dated June 9, 1939.

(f) Feature production to be produced under the auspices of Harold B. Franklin based on the Noel Coward play "CONVERSATION PIECE" - to be directed by Victor Schertzinger and to have in the cast Grace Moore and Basil Rathbone, in accordance with letter dated June 17, 1939, received from Mr. Franklin.

20. The General Manager reported an offer received from LOTHAR MENDES to produce a picture based on a story called "FOREVER" written by Mildred Cram and to star Janet Gaynor, in accordance with series of correspondence received from Mr. Mendes, starting June 8, 1939, and onward.

It was the consensus of the meeting that this offer should be refused.

21. The General Manager reported an offer from Richard Rowland to produce at least two pictures (and to enter into a longer contract if the Corporation so desires). The General Manager also reported the contents of a letter dated July 3, 1939, received from Mr. Rowland, outlining in detail his proposal.

The matter was tabled for further investigation by the General Manager and report to the Board.

22. The General Manager reported that Mr. Lowell Calvert, on behalf of Selznick International Pictures, had verbally advised him that they would deliver a fourth picture, pursuant to the distribution agreement between Selznick International and United Artists, and, accordingly, selling instructions were given to proceed immediately with the sale of such fourth picture.

23. The General Manager made a detailed report regarding the Walter Wanger Productions, particularly as to the status of the Walter Wanger loan from United Artists and its relation to bank loans; the present financial position of the Wanger Company; and the contemplated financial deal between the Wanger Company and the Bank of America.

24. The next matter brought before the meeting was the proposed settlement of the claims made by Howard Hughes, The Caddo Company, Inc. and Hughes Tool Company. Mr. Raftery made a detailed report of the nature of the claim and of the efforts made by the Corporation to settle the claim, the eventual consummation of an agreement by Mr. Silverstone with Mr. Neil McCarthy (representing the Hughes interests) to settle the claim upon the payment of $75,000., payable as follows: $15,000. at the execution of the agreement of settlement and the balance in $15,000. instalments until the balance of $60,000. has been paid. He also reported that the form of settlement agreement had been approved by Mr. McCarthy.

After recommendation by counsel, it was moved, seconded and unanimously adopted,

RESOLVED, that the General Manager be and he hereby is authorized to settle the claims of HOWARD HUGHES, THE CADDO COMPANY, INC. and HUGHES TOOL COMPANY for the sum of $75,000., payable $15,000. upon the execution of the agreement of settlement, $15,000. six months thereafter, $15,000. twelve months thereafter, $15,000. eighteen months thereafter and the balance of fifteen thousand at the end of two years.

25. The General Manager gave the Board a resume of the progress of sales in the United States and Canada of the product scheduled for release in the 1939-1940 season.

26. The General Manager and the Treasurer gave a report as to the Estimated Profit and Loss for the first six months of 1939, together with bank statements as of that date, of the worldwide position of the Corporation.

27. Mr. Silverstone reported the receipt of a letter dated June 19, 1939, from Samuel Goldwyn, Inc.

28. The General Manager reported an offer for distribution from Gabriel Pascal for the picture MAJOR BARBARA, based on a George Bernard Shaw story, in the United States of America, and for countries in North and South America.

After lengthy discussion, the General Manager was authorized to offer Mr. Pascal distribution for the next three so-called "George Bernard Shaw photoplays", produced by Mr. Pascal, in the United States of America and countries in North and South America, with the following reservations: Distributors terms to be 30% of the gross in the United States, distributor to have an option

for the double quota rights of at least two of the three photoplays; distributor to have an option on any other photoplays produced by the producer during the period.

The foregoing was unanimously approved by all directors.

29. The General Manager reported that at the meeting of the Board of Directors held August 4, 1938, resolutions were passed that the 7500 shares of United Artists Corporation, Ltd. shall be transferred into certain names, transfers signed in blank, and that the certificates with transfers so attached be sent to the Treasurer of United Artists Corporation. This action has now been completed and the certificates will be placed in the company's safe deposit box at Irving Trust Company.

30. At the meeting of the Board of Directors held August 4, 1938, resolutions were passed which provided that 90% of the capital stock of United Artists (Export) Ltd. be issued in the names of M. Silverstone and a partner of Price, Waterhouse & Co. and that the remaining 10% be placed in the names of George Archibald, L. Lewis and such other employees of United Artists (Export) Ltd. as may be decided upon by Mr. Archibald and Mr. Quennell, and that the new certificates, together with transfers in blank attached thereto, then be deposited with the Bank of America,

London, subject to withdrawal only by resolution of the Board of Directors of United Artists Corporation. Under arrangements made between Mr. Raftery and Mr. Quennell 993 shares were issued in the name of United Artists Corporation and seven shares in the names of certain individuals. The General Manager reported that the 1,000 shares have been deposited with Bank of America, London, for the account of United Artists Corporation, together with blank transfers and declarations of trust in respect of the seven shares issued in the names of individuals.

31. The General Manager reported that Mr. C. E. Ericksen, on behalf of Walter Wanger Productions, had requested acceleration of payments to his company on domestic film rentals.

This matter was tabled for the next meeting.

32. Mr. Raftery requested the passage of the following resolution so as to renew for the Corporation, for an additional ten-year period, its right to do business in the State of Texas. It was therefore, moved, seconded and unanimously

RESOLVED, that Mr. Harry D. Buckley, Vice President, and Mr. Edward C. Raftery, Secretary, be and they hereby are authorized to execute any and all documents necessary to obtain for United Artists Corporation license to transact business within the State of Texas for a ten year period commencing August 17, 1939,

and it was further

RESOLVED, that United Artists Corporation, a corporation duly incorporated under the laws of the State of Delaware, does hereby make, constitute and appoint F. F. Bokern, 1404 Republic Bank Bldg., Dallas, Texas, a resident citizen of the State of Texas, its true and lawful attorney in fact for and in the State of Texas, upon whom all process of law against said corporation in any action or legal proceeding may be served, subject to and in accordance with all the provisions of the laws of the State of Texas and amendements thereto; and the said corporation hereby specially agrees that any and all lawful processes against it which may be served upon its said attorney in fact, shall be deemed valid personal service upon said corporation and shall be of the same force and validity as if served upon said corporation; and this authority shall continue in full force as long as said corporation is authorized to do business in the State of Texas, and for a period of four years from and after the date said corporation shall have surrendered its charter or shall have ceased to do business in the State of Texas.

There being no further business before the meeting, upon motion duly made and seconded, the same adjourned.

Edward C. Roth
Secretary

PLEASE TAKE NOTICE that there will be a special meeting of the Stockholders of UNITED ARTISTS CORPORATION on July 31, 1939, at 2:30 o'clock in the afternoon at the office of the Corporation, 729 Seventh Avenue, New York City, for the purpose of accepting the resignation of Mr. James Roosevelt as a director of the Corporation and for the purpose of electing a director as successor to Mr. James Roosevelt.

Dated: July 18, 1939.

Edward L. Raftery
Secretary

AFFIDAVIT OF MAILING NOTICES

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

EDWARD C. RAFTERY, being duly sworn, deposes and says that he is the Secretary of UNITED ARTISTS CORPORATION, a corporation of the State of Delaware; that on the 19th day of July, 1939, he caused a notice of special meeting of stockholders of said corporation, a copy of which is hereto annexed, to be mailed in a sealed wrapper, postage prepaid, addressed to each stockholder of record of said corporation at his Post-Office address as the same appears on the books of said corporation.

Edward C Rafftery

SUBSCRIBED AND SWORN TO
BEFORE ME THIS 19th DAY
OF JULY, 1 9 3 9.

Lillian E McMahon
Notary Public

LILLIAN E. McMAHON, Notary Public
Queens Co. Cl's No. 1194 Reg. No. 5442
N. Y. Co. Cl's No. [illegible] Reg. No. [illegible]

P R O X Y

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, THE PICKFORD CORPORATION, a corporation, holder of four thousand (4,000) shares of the stock of United Artists Corporation, a corporation of the State of Delaware, does hereby appoint THEODORE CARUSO, its true and lawful attorney with full power of substitution and revocation, for it and in its name, to vote as its proxy upon all the stock held by it in the United Artists Corporation, at a special meeting of the stockholders of United Artists Corporation to be held on the 31st day of July, 1939, at 2:30 o'clock in the afternoon and any adjourned meetings thereof; hereby ratifying and confirming all that said attorney may lawfully do in the premises.

WITNESS the execution of this proxy by the said THE PICKFORD CORPORATION this 26 day of July, 1939.

THE PICKFORD CORPORATION

By Mary Pickford
Pres.

Attest:

P R O X Y

KNOW ALL MEN BY THESE PRESENTS, that the undersigned THE ELTON CORPORATION, a corporation, holder of four thousand (4,000) shares of the stock of United Artists Corporation, a corporation of the State of Delaware, does hereby appoint _____, its true and lawful attorney with full power of substitution and revocation, for it and in its name, to vote as its proxy upon all the stock held by it in the United Artists Corporation, at a special meeting of the stockholders of United Artists Corporation to be held on July 31, 1939, at 2:30 P.M. and any respective adjourned meetings thereof; hereby ratifying and confirming all that said attorney may lawfully do in the premises.

WITNESS the execution of this proxy by the said THE ELTON CORPORATION this 27th day of July, 1939.

THE ELTON CORPORATION

By _____
Vice-President

Attest:

_____
Assistant Secretary

July 31, 1939.

MINUTES OF A SPECIAL MEETING OF STOCKHOLDERS

-of-

UNITED ARTISTS CORPORATION

A Special Meeting of the Stockholders of United Artists Corporation was held at the offices of the Corporation, 729 Seventh Avenue, New York City, on July 31, 1939, at 2:30 P. M., pursuant to written notice.

There were present the following:

Alexander Korda,
by Emanuel Silverstone, proxy;

The Pickford Corporation,
by Theodore Caruso, proxy;

The Elton Corporation,
by Edward C. Raftery, proxy;

Samuel Goldwyn,
by James Mulvey, proxy,

representing a majority of the stockholders of the Corporation.

Mr. Dennis F. O'Brien, one of the directors of the Corporation, acted as Chairman of the meeting, and Mr. Raftery acted as Secretary.

The Secretary presented to the meeting the resignation of Mr. James Roosevelt as a director of the Corporation and the same was directed to be attached to the minutes and accepted with regret.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that Mr. James Mulvey be and he hereby is elected a director of United Artists Corporation to succeed Mr. James Roosevelt.

There being no further business before the meeting, upon motion duly made and seconded, the same adjourned.

Secretary

Los Angeles, California

July 14th, 1939.

To The Secretary of United Artists Corporation:

Dear Sir:

The undersigned hereby resigns as a director of the United Artists Corporation, said resignation to become effective upon the election of my successor.

Very truly yours,

James Roosevelt

James Roosevelt

PLEASE TAKE NOTICE that at the request of the General Manager, a special meeting of the Board of Directors of the United Artists Corporation will be held at the office of the Corporation, 729 Seventh Avenue, New York, N.Y. on Friday, August 18th, at 2:30 P. M. The purpose of the meeting is to authorize the execution by the proper officers of the Company of the acceptance by the Company of the loan agreement between the Bank of America National Trust and Savings Association and Walter Wanger Productions, Incorporated, dated the 8th day of August, 1939, and for the purpose of authorizing the execution by the proper officers of the Corporation of a supplemental agreement to be made with Walter Wanger Productions, Inc. under the terms of which the corporation will agree to reloan to Walter Wanger Productions, Inc. the sum of Two Hundred Thousand Dollars ($200,000) which Walter Wanger Productions, Inc. is authorized to repay to the Corporation ahead of the time specified in previous agreements, and for such other and further business as may come before the meeting.

Dated: New York, August 16, 1939.

Edward C. Raftery
Secretary

August 18, 1939

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

Minutes of a Special Meeting of the Board of Directors of UNITED ARTISTS CORPORATION, held at the offices of the Corporation, on the 18th day of August, 1939, at 2:30 o'clock in the afternoon.

There were present the following directors:

Dennis F. O'Brien
Charles Schwartz
Emanuel Silverstone
Theodore Caruso
James Mulvey

constituting the entire Board of Directors of the Corporation.

There were also present:

Maurice Silverstone, General Manager
Lowell Calvert, of Selznick International Pictures, Inc.
Edward C. Raftery, Secretary

Mr. Dennis F. O'Brien acted as Chairman of the meeting. Mr. Raftery acted as Secretary.

Mr. Raftery presented to the meeting notice of due calling, which was ordered to be attached to these minutes.

Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that any Vice-President of the Corporation be and he is hereby authorized to execute an acceptance by the United

Artists Corporation of the Loan Agreement Between the Bank of America National Trust and Savings Association, lender, and Walter Wanger Productions, Incorporated, borrower, dated the 8th day of August, 1939, and he is further authorized to execute a subordination agreement subordinating certain loans made or to be made to the Wanger Company pursuant to the aforesaid agreement of the 8th day of August, 1939.

Upon motion duly made, seconded and unanimoutly adopted, it was

RESOLVED, that either the General Manager of the Corporation or any Vice-president, be and either one of them are hereby authorized to execute an Agreement with the Walter Wanger Productions, Inc., under the terms of which Walter Wanger Productions, Inc. agree to repay to United Artists Corporation on or before August 31st, 1939, an amount not to exceed the sum of $200,000. to apply upon and to reduce the indebtedness of the said Walter Wanger Productions, Inc. to the United Artists Corporation upon the following condition:

That, if at any time during the life of a certain finance agreement made between the Bank of America National Trust and Savings Association and Walter Wanger Productions, Inc., dated the 8th day of August, 1939, or on or before July 26, 1941, whichever date is the later, that the said Walter Wanger Productions, Inc., is in need of additional funds or financial assistance to carry forward or complete the production program more particularly referred to in said Agreement of August 8th, 1939, that United Artists will then, upon such showing, re-loan to Walter Wanger Productions, Inc., an amount not to exceed $200,000. and will agree to subordinate such new loan or loans to the loans tc be made by the said bank to the said Walter Wanger Productions, Inc. pursuant to the aforesaid agreement of the 8th day of August, 1939.

There being no further business before the meeting, upon motion duly made, and seconded, the same adjourned.

Edward C. Rafter
Secretary

PLEASE TAKE NOTICE that a regular monthly meeting of the Board of Directors of United Artists Corporation will be held at the offices of the Corporation, 729 Seventh Avenue, New York City, on Tuesday, September 5, 1939, at 2:30 P.M.

Dated: New York, Aug 15, 1939.

Edward L. Raftery
Secretary

September 11, 1939.

MINUTES OF ADJOURNED REGULAR MONTHLY MEETING OF BOARD OF DIRECTORS OF

UNITED ARTISTS CORPORATION

An adjourned regular monthly meeting of the Board of Directors of United Artists Corporation was held on Monday, September 11, 1939, at 2:30 P.M., at the offices of the Corporation, 729 Seventh Avenue, New York City.

There were present:

Dennis F. O'Brien,
Charles Schwartz,
Emanuel Silverstone,
James Mulvey,
Theodore Caruso,

constituting all of the directors of the Corporation.

There were also present:

Miss Mary Pickford	President of The Pickford Corporation
H. J. Muller,	Treasurer
M. Silverstone,	General Manager
Lowell Calvert,	of Selznick International Pictures, Inc.
Edward C. Raftery,	Secretary.

Mr. O'Brien acted as Chairman of the meeting and Mr. Raftery acted as Secretary thereof.

1. Mr. Raftery reported that copies of the minutes

of the meeting of July 11, 1939, had been sent to all parties in interest. It was moved, seconded and unanimously adopted that the reading of the previous minutes of July 11, 1939, be dispensed with and that the said minutes be approved.

2. The General Manager reported that he had received the following requests for distribution:

(a) From Barney Gerard for picture to be based upon BRINGING UP FATHER;
(b) From Maxson F. Judell, re LAWRENCE OF ARABIA;
(c) From Al Rosen re MAD DOG OF EUROPE;
(d) From John Boyce Smith re picture to be based upon story THEY STILL FALL IN LOVE;
(e) From Roger Marchetti, motion picture based on comic strip LITTLE ABNER;
(f) From Arthur Ziehn, motion picture based on SHANGHAI GESTURE;
(g) From Louis Lewyn, motion picture based on setting of EARL CARROLL THEATRE, Hollywood1
(h) From Ray Fernstrom - series of novelty short films;
(i) From Lawrence W. Fox, Jr., series animated cartoons based on BABAR THE ELEPHANT;
(j) From F. W. Kane, re film to be made by him under direction of Lewis Milestone.
(k) From Ben Jacksen - OUTDOOR EPICS, including Buck Jones.
(l) From Retsama Film Prod. - Color feature starring Geraldine Spreckels, Fred Keating, Claire Windsor, based on DUST BOWL,

all of which had been refused.

It was the consensus of opinion of the Board that the recommendations of the General Manager should be approved.

3. The General Manager reported that Gabriel Pascal's request for distribution had been refused because of Mr. Pascal's unwillingness to accept the terms suggested by the

Corporation.

4. The General Manager read to the meeting a telegram which he had sent to Richard Rowland regarding an agreement to distribute one photoplay to be produced by Mr. Rowland and with certain options on the part of the Corporation to acquire additional photoplays. Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that the action of the General Manager as set forth in the telegram be and the same is hereby approved.

5. The General Manager reported the receipt of an executed agreement signed by Selznick International Pictures, Inc. and United Artists Corporation, covering the fourth picture to be delivered to United Artists by Selznick for distribution.

6. The General Manager reported the signing of the option agreement with Ernst Lubitsch, the original of which was delivered to the Treasurer.

7. The Treasurer made the following report regarding India Income Taxes:

The Corporation's lawyers and accountants in India have discussed the possible effect upon United Artists Corporation and its producers of the recent Income Tax Amendments.

They point out the fact that under the modified tax laws United Artists Corporation may no longer be recognized as a company and might be assessable as an association of persons, in which event, it would be charged Super-tax at the rate of 7 annas in the rupee (approximately 43%). In addition, with respect to dividends declared by United Artists Corp., there is a possibility that the Indian Government will prorate a portion of the dividend to India and levy a super-tax against United Artists Corporation's shareholders at the rate of 7 annas in the rupee. These taxes are in addition to Normal Income Tax and Super-tax, amounting to 3½ annas in the rupee (approximately 21½%). Similar taxes might be levied against United Artists' producers with respect to their income from India and with respect to dividends they declare to their stockholders. Companies incorporated within the British Empire are automatically treated as companies under the Company Act. The Corporation's India lawyers and accountants suggest that United Artists form two companies in Bermuda, one to operate in India, the other to own the operating company and thereby avoid these possible large Super-taxes. They suggest that each of United Artists' producers also form two Bermuda companies. This matter has been submitted to the Corporation's N. Y. attorneys and they suggest that United Artists Corporation notify the producers involved

but that it form no additional corporation at least until the attitude of the India tax authorities is definitely known.

8. Mr. Muller reported that Mr. Lawler, of O'Brien, Driscoll & Raftery, had submitted a memorandum concerning the possibility of obtaining a refund for the year 1934 Income Tax because of the recent decision of the Board of Tax Appeals in Universal Winding Co. case, which relates to date of accrual of British Income Tax. The Board unanimously authorized the proper officers to execute the necessary claims for refund.

9. The next business before the meeting was the consideration of an amendatory agreement with the General Manager. Mr. Schwartz stated to the meeting that it was the desire of some of the stockholders and of the General Manager to amend a certain agreement dated the 13th day of June, 1938, in which Mr. Silverstone had been employed to act as General Manager of the Corporation, and particularly to eliminate the entire paragraph "8" of the agreement and to eliminate the last clause of paragraph "2". The secretary read to the meeting paragraph "8" of the agreement of the 13th day of June, 1938. Mr. Schwartz stated that he was in favor of such elimination. He also stated that in his opinion the clause was coersive as far as Mr. Silverstone was concerned and should not be in the contract. Mr. O'Brien stated that he had discussed the matter with Mr. Douglas

Fairbanks, and Mr. Fairbanks stated that he was opposed to this clause from the beginning; that it was his desire to engage Mr. Silverstone for a five-year period without the restrictions imposed in this paragraph. Mr. Emanuel Silverstone stated that Mr. Korda was in favor of eliminating these provisions. Miss Pickford stated that she was in favor of eliminating these provisions.

Mr. Mulvey read a statement to the meeting, copy of which is attached to these minutes.

Mr. Schwartz, referring to Mr. Mulvey's statement, stated that in view of the scurrilous nature of the remarks and their utter ridiculousness, he would not dignify them by replying thereto.

The following motion was duly made and seconded:

WHEREAS, this company has entered into an agreement of employment with Maurice Silverstone dated the 13th day of June, 1938, which provided among other things in paragraph "8" thereof that commencing with July 1, 1940, this company shall have the right to change certain duties and powers of Mr. Silverstone as described in such agreement, upon notice to be given to him as therein provided; and

WHEREAS, Mr. Silverstone has rendered very able and effective services to the company during the entire term of such agreement to the date hereof, and the company has prospered under his management; and

WHEREAS, it is the desire of the board of directors of this company that the provisions of paragraph "8" of said agreement be eliminated from said agreement, and Mr. Silverstone is likewise desirous of eliminating such provisions;

NOW, THEREFORE, be it:

RESOLVED, that said agreement between this company and Maurice Silverstone be modified by eliminating therefrom said paragraph "8" and all the provisions thereof, and also by eliminating from paragraph "2" thereof the clause therein contained reading as follows:

> "subject to the right, however, on the part of the UNITED to change Silverstone's status of employment, as provided in paragraph '8', pages 6 and 7, and 8."

FURTHER RESOLVED, that as so modified the said agreement be and the same hereby is ratified, confirmed and approved.

FURTHER RESOLVED, that this company enter into a formal written supplemental agreement with Mr. Silverstone to carry out and effectuate the foregoing, and the signature of any vice-president of the company signing such agreement on its behalf shall be binding and effective.

The Chair asked if there was any further discussion and the matter was put to a vote. Four directors voted in favor, Mr. Mulvey voted against. The Chair ruled the motion carried.

Counsel for the company then read to the meeting the following agreement:

"AGREEMENT made this day of September, 1939, between UNITED ARTISTS CORPORATION, a Delaware corporation, having its principal place of business in the City, County and State of New York (hereinafter designated as "United Artists") and MAURICE SILVERSTONE (hereinafter designated as "Silverstone"):

W I T N E S S E T H :

WHEREAS, UNITED ARTISTS has entered into an agreement of employment with SILVERSTONE dated the 13th day of June, 1938, which provided among other things in paragraph "8" thereof that commencing with July 1, 1940, UNITED ARTISTS shall have the right to change certain duties and powers of SILVERSTONE, as described in such agreement, upon notice to be given to him as therein provided; and

WHEREAS, SILVERSTONE has rendered very able and effective services to UNITED ARTISTS during the entire term of such agreement to the date hereof, and UNITED ARTISTS has prospered under his management;

NOW, THEREFORE, in consideration of the mutual promises and agreement herein contained, it is hereby mutually agreed as follows:

FIRST: UNITED ARTISTS and SILVERSTONE agree that the aforesaid agreement of the 13th day of June, 1938, be modified by eliminating therefrom paragraph "8" and all the provisions thereof and also by eliminating from paragraph "2" the clause therein contained reading as follows:

"subject to the right, however, on the part of UNITED to change Silverstone's status of employment, as provided in paragraph '8', pages 6 and 7, and 8".

SECOND: Except as expressly modified by this agreement, the aforesaid agreement of the 13th day of June, 1938, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed and their respective seals affixed the day and year first above written.

UNITED ARTISTS CORPORATION

By

_____
Vice-President

Attest:

_____

_____
Maurice Silverstone "

The agreement was then signed by Mr. Silverstone and executed by one of the vice-presidents of United Artists Corporation, and the original delivered to the Corporation and a duplicate original delivered to Mr. Silverstone.

10. The next matter before the meeting was the question of modifying and amending a certain agreement between the Corporation, on the one part, and Walter Wanger and Walter Wanger Pictures, Inc., on the second part.

After discussion the following motion was made and seconded:

WHEREAS, by an agreement between this company as the one party, and Walter Wanger and Walter

Wanger Pictures, Inc., as the other, dated July 26, 1938, it was provided in article "4" thereof, that if at the expiration of three years from the date of such agreement, or on the date of any sooner termination of the employment of Walter Wanger by Walter Wanger Productions, Incorporated (hereinafter referred to as the "Wanger corporation"), any indebtedness of the Wanger corporation to this company should remain unpaid, then Walter Wanger and Walter Wanger Pictures, Inc. agreed that until all such indebtedness shall have been paid in full, all rights to vote or otherwise represent all of the Class A common stock of the Wanger corporation shall be vested exclusively in this company or its nominees, and

WHEREAS, in order to effectuate the foregoing, a voting trust agreement was entered into between Walter Wanger Pictures, Inc., this company, Bank of America National Trust and Savings Association, as Trustee, and the Wanger corporation, dated as of August 11, 1938, and

WHEREAS, this board of directors deems it advisable that said agreement of July 26, 1938 be modified by cancelling the provisions contained in said article "4", and cancelling said voting trust agreement and the voting trust certificates issued in pursuance thereof, and returning to Walter Wanger Pictures, Inc. the entire Class A common stock of the Wanger corporation deposited under said voting trust

agreement.

NOW, THEREFORE, be it:

RESOLVED, that said agreement dated July 26, 1938 be modified by cancelling and eliminating therefrom article "4" and the provisions therein contained.

FURTHER RESOLVED, that as above modified, the said agreement be and the same hereby is ratified, confirmed and approved.

FURTHER RESOLVED, that the said voting trust agreement and the voting trust certificates issued in pursuance thereof be cancelled and annulled, and that the Class A common stock deposited thereunder be returned to Walter Wanger Pictures, Inc.

FURTHER RESOLVED, that this company enter into a formal written agreement or agreements with the necessary parties to carry out and effectuate the foregoing, and that the signature of any vice-president of the company signing such agreement or agreements on its behalf shall be binding and effective.

The Chair asked for a vote, four directors voting in the affirmative and Mr. Mulvey asking to be recorded as not voting.

11. The next business before the meeting was the matter of the withdrawal of the Corporation from membership in the Motion Picture Producers and Distributors of America, Inc. The General Manager stated that after discussion with five representatives of the stockholders, and after securing approval from four, he had dispatched the following letter of September 1, 1939, to the Motion Picture Producers and Distributors of America, Inc.:

" September 1, 1939.

Motion Picture Producers
and Distributors of America, Inc.
28 West 44th Street
New York City

Gentlemen:

Pursuant to Article XV of your By-Laws, we hereby give you notice of our intention to withdraw as a member of your Association, such withdrawal to be effective six months from and after this date."

Yours very truly,

UNITED ARTISTS CORPORATION

By M. Silverstone
General Manager"

One of the reasons given for the resignation was the present dispute with the Paramount exhibiting subsidiary in Chicago. Mr. Mulvey stated that he was opposed to the resignation at the present time.

Upon motion duly made and seconded, it was

RESOLVED, that the action of the General Manager in dispatching the letter of resignation to the Hays Organization be ratified and approved.

Four directors voted in favor of the foregoing resolution. Mr. Mulvey voted in the negative.

It was moved by Mr. Schwartz and seconded by Mr. Caruso that the question of whether legal action should be taken against the Balaban & Katz interests should be referred to counsel and co-counsel, and if both determine that legal action should be taken, either under the Sherman or Clayton Acts or any other type of action, that they be empowered to proceed forthwith. In the event of a disagreement between counsel and co-counsel as to whether action should be taken, the matter should be referred back to the Board of Directors for action at the next meeting.

The Chair called for a vote. Four of the directors voted in the affirmative, and Mr. Mulvey voted in the negative.

12. Mr. Raftery reported that he had approved the agreement with the Wanger company, under the terms of which the Wanger company had repaid the sum of $200,000. to the Corporation onaccount of the loans made by the Corporation to the Wanger company.

Due to the lateness of the hour, the meeting was then adjourned to Wednesday, September 13, at 10:30 A.M.

Secretary

STATEMENT OF MR. JAMES MULVEY

I object to and vote against the resolution.

The understanding was that Mr. Silverstone was to be given a two year trial period to manage the affairs of the Company. If he is successful at the end of that period, then surely the Company will gladly continue his management, but it is entirely too premature to decide now the results of Mr. Silverstone's management.

In my opinion the most important part of Mr. Silverstone's trial period of management has just begun and it might be a serious mistake not to await the results of the 1939-40 season which has only begun.

The effect of making this proposed modification now would be to obviate any possibility during the next four years of electing a President or Chairman of the Board, with powers customarily granted to such executives, without violating the terms of Mr. Silverstone's contract. In other words it means that while the Board has the right to elect a President or Chairman of the Board, it cannot do so without violating Mr. Silverstone's contract unless the Board simultaneously provides that the President or Chairman shall have but a perfunctory office, without the power, or the duty, to act in the management of the company's business.

In my opinion this proposal is sponsored and abetted by Mr. Schwartz, acting in this instance, not in the interests of the Company, but as attorney for Mr. Silverstone. It is indeed a sad reflection on the policy of the stockholders of this Company who permit such a condition to prevail.

I desire and request that my views of this matter, as above expressed, be set forth in the minutes of this meeting, and I wish to state further that if this resolution is adopted I propose to send to each stockholder a copy of this statement.

MINUTES OF ADJOURNED REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

The adjourned regular monthly meeting of the Board of Directors of United Artists Corporation was held on Wednesday, September 13, 1939, at 10:30.

There were present:

Edward C. Raftery, Secretary

Due to the lack of quorum, the meeting was further adjourned until Wednesday, September 20, 1939, at 2:30 P. M.

_____
Secretary

MINUTES OF ADJOURNED REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

An adjourned regular monthly meeting of the Board of Directors of United Artists Corporation was held on Wednesday, September 20, 1939, at 10:30:

There were present:

Edward C. Raftery, Secretary.

Due to the lack of quorum, the meeting was further adjourned until Thursday, September 21,1939, at 10:30 A.M.

Secretary

September 21, 1939.

MINUTES OF ADJOURNED REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

An adjourned regular monthly meeting of the Board of Directors reconvened at the offices of the Corporation, 729 Seventh Avenue, New York City, at 10:30 A.M. on September 21, 1939, pursuant to the adjournment of the meeting of September 20, 1939.

There were present:

Mr. Dennis F. O'Brien
Mr. Charles Schwartz
Mr. Emanuel Silverstone
Mr. James Mulvey
Mr. Theodore Caruso,

constituting all of the directors of the Corporation.

There were also present:

Miss Mary Pickford,	President of The Pickford Corporation,
H. J. Muller,	Treasurer,
M. Silverstone,	General Manager,
Lowell Calvert,	of Selznick International Pictures, Inc.
Edward C. Raftery,	Secretary.

Mr. O'Brien continued as Chairman and Mr. Raftery continued as Secretary.

1. The Treasurer reported the payment of the following sums to the Hays Organization:

Strike of Local 306	$ 72.82
Elite v.Paramount (Boston cases)	262.50
Gorham v. Kurson,Millinocket v. Gurson, Millet v.Kurson	85.57
La Crosse v. Paramount	210.00
U. S. v. Balaban ,et al.	396.47
Golden v. United Artists	120.14.

The foregoing payments were approved.

2. The Treasurer then asked approval of payment of the following additional items:

U. S. v. Interstate	$1628.55
Rivoli Theatre v. U. A.	52.50
Washington Operating Co. v. Paramount, et al.	7.55
Boston Anti-Trust Suits	82.95

Approval was duly given.

3. The General Manager submitted his account of expenses in connection with his visit to California in August, 1939. Upon motion duly made and seconded, said expense account was approved.

4. The General Manager reported that at the request of Mr. Raftery, payment has been made in the amount of $1500. to apply on account of retainer to Sonnenschein, Berkson, Lautmann, Levinson & Morse in connection with the Balaban and Katz case. Said payment was approved.

5. The Treasurer reported that in connection with

the Certificate of Condition to be filed with the Commonwealth of Massachusetts, it is necessary for the Corporation to supply a resolution of the Board of Directors appointing auditors for the ensuing year.

Counsel for the Corporation was directed to prepare and file the necessary resolution and a copy of the same was directed tobe annexed to the minutes of this meeting.

6. The General Manager made a detailed report regarding the LONDON PAVILION, stating that due to lack of pictures the theatre had shown an operating loss, and it was his opinion that some effort should be made to lease the theatre for legitimate purposes. The General Manager was directed to use his own judgment in an effort to keep the loss down as low as possible.

7. The Treasurer presented to the meeting the Price Waterhouse report for 1938 on the operation of the Corporation. It was the sense of this meeting that two copies of this report should be given to each director for study so that the same might be considered at the next meeting.

8. The General Manager reported regarding the Producers' Fund. It was reported to the meeting that Selznick International Pictures, Inc. was the only producer which had signed the agreement entitling it to

share in the Producer's Fund; that Samuel Goldwyn, Inc., Walter Wanger Productions, Inc., Alexander Korda and London Film Productions, Ltd. had not as yet signed the agreement in that the agreement had not been submitted to these producers as yet. Counsel was directed to prepare these agreements as soon as practicable and submit them to each of the parties.

9. Mr. Mulvey moved that in regard to the Producer's Fund, each producer should be paid promptly the amount due him or it for the year 1938, pursuant to the provisions of their respective contracts, in accordance with the memorandum of Price, Waterhouse & Co. adopted by a Resolution of the Board and made part of each contract, which memorandum is dated April 26, 1939.

There being no second to the resolution, the Chair declared the resolution lost.

Thereupon, Mr. Mulvey stated that the failure of the company to pay any producer the amount due in accordance with the resolution adopted by the company, which made part of the contract the memorandum of Price, Waterhouse & Co., dated April 26, 1939, would be a material breach of the contract with that particular producer, and that it is more than likely that the company would become involved in serious litigation which should be avoided.

10. The General Manager reported that the following entry was placed upon the books of this corporation as at December 31, 1938:

Debit Provision for Contingencies	$113,000.00	
Credit Reserve for Contingencies		$113,000.00

To provide for possible liability for additional income taxes in Great Britain and Canada for the year 1938.

Upon motion duly made and seconded, it was unanimously

RESOLVED, that the foregoing entry be and the same is hereby approved.

11. The General Manager reported that he had received two requests from Alexander Korda: (1) for a cash advance on a proposed air picture; (2) for a cash advance for the purpose of finishing THE THIEF OF BAGDAD.

It was the sense of the meeting (Emanuel Silverstone not participating) that due to the precarious world conditions and the cash position of the Corporation, it was with regret that the Corporation must take a firm position and not advance money to producers at this time; that the General Manager should cooperate with Mr. Korda and use every effort to assist him in securing financing from other sources for all production purposes and particularly in securing financial assistance for the completion of THE THIEF OF BAGDAD.

12. ODEON: The General Manager made a detailed report regarding the correspondence between Mr. Deutsch and United Artists and Mr. Archibald and United Artists, and particularly regarding Mr. Deutsch's recommendation to pay to Mr. Archibald, for services rendered by Mr. Archibald to Odeon, 4,000 preference shares of Odeon Holding Company. It was the sense of the meeting that no payment of this kind should be made to Mr. Archibald, and the General Manager stated that it was his opinion that if any payment were made to Mr. Archibald, who undoubtedly had been of great help to Odeon, having devoted a considerable number of evenings and week-ends to Odeon, it should be a cash payment. Some of the directors express the opinion that no payment should be made by Odeon or any of the Odeon companies to Mr. Archibald as he was a United Artists employee and that any payment made to him should be in the nature of extra compensation to be paid by United Artists Corporation, Ltd.

Regarding the statement sent by Mr. Deutsch which purported to show the condition of the Odeon Holding Company, it was the sense of the meeting that this was not a statement, but that there should be an audit statement and that Price, Waterhouse, or some other disinterested firm of chartered accountants, should make a full and complete audit of this company, and, among other things, should determine what original investment, if any, had been made by Deutsch interests, and that no

arbitrary figure of £150,000 or £200,000 should be set up as this investment, but the actual certified figures should be secured. Also, the directors' fees charged in the statement should be eliminated and each of these items thoroughly investigated by the accountants.

Mr. Silverstone gave a digest of a long report sent to Mr. Archibald on August 21. It was the consensus of the meeting that a reasonable time should be allowed for answer and a full report prepared for the next meeting of the Board.

Likewise, the directors suggested that the stock-holdings, if any, of Mr. Archibald or his family in Odeon should be investigated. Mr. Silverstone reported that prior to Mr. Archibald's association with United Artists Corporation, Ltd. he had been connected with the Exhibitors Society and that his family were interested in theatres in Scotland and that these theatres had been sold to Odeon; that when Mr. Archibald came with the company it was with full disclosure of this ownership. However, the General Manager stated that he would secure a full report from Mr. Archibald regarding this situation.

13. The General Manager and counsel gave a full report regarding the manner and method of paying tax in England

and the formula used by the company in dividing United Artists Corporation, Ltd. rentals. In view of the modification agreements reducing distributor's share, it was the consensus of opinion that this matter should be canvassed thoroughly by British counsel and that Mr. Guedalla, who had handled the previous tax in association with Price, Waterhouse, should be retained to work with Price, Waterhouse on this particular problem.

14. The General Manager reported to the meeting that a franchise agreement between United Artists Corporation and United Artists Corporation, Ltd., which had originally been drafted by Mr. Quennell and re-drafted by Mr. Raftery, had been executed by the Delaware company and forwarded to England for execution.

15. It was the unanimous opinion of the directors that the Tobis royalties in the amount of $831.71 for the quarter ended June 30, 1939, should be paid to the order of the Guaranty Trust Company in the same manner as previously, notwithstanding the war conditions.

16. The Treasurer reported that he had received a copy of the Price, Waterhouse audit report of Walter Wanger Productions, Inc. as of July 1, 1939. Excerpts

from this audit were read to the meeting.

17. A report was made regarding the dues regularly paid to the Hays Organization and its various allied associates. It was the consensus of the meeting that these payments should continue until further notice because the resignation would not take effect until six months from its date.

18. The General Manager made a report regarding the cost of trade paper advertising, national advertising and fan advertising, and, in view of the emergency that exists, it was his recommendation that an effort should be made to curtail this expense. The General Manager was directed to take the matter up with each individual producer, with this thought in mind.

19. Mr. Mulvey stated that he had several matters which he wished to discuss with the Corporation regarding items in the distribution contract. The General Manager was requested to discuss these matters with Mr. Mulvey.

20. The Treasurer reported that he had been advised by counsel that the Argentine income tax on the producer's share is chargeable to the producer.

21. The General Manager stated that there were some items of accounts receivable from Samuel Goldwyn, Inc. for which he had been unable to secure payment. Mr. Mulvey made certain claims of overcharges. The matter was directed to be tabled for the next meeting.

22. THE WAR SITUATION: This matter was discussed at great length. Due to the restricted news, the General Manager reported, it was impossible at this time to arrive at any definite plan or arrangement by which economies could be effected in the war zone; that employees were being mobilized and were being paid half salaries. However, as soon as practicable he would put into effect every economy possible, with a view to reducing expenses; that he proposed a 25% reduction as regards his own compensation. Miss Pickford, as a stockholder, thanks the General Manager for his voluntary act, and the General Manager stated that if that economy was not sufficient he would reduce his compensation to an even lower figure.

As regards the domestic situation, the General Manager stated that the Corporation was right in the middle of the selling season; that, in his

opinion, the Corporation had a fine selling organization; that these men were securing better offers generally on all product for this season than they had secured for last season. Mr. Mulvey and Mr. Calvert each expressed an opinion agreeing with the General Manager as to the character of the men in the sales organization. The General Manager stated that he therefore felt it unwise to attempt a cut right at this moment, but that economies would be effected as soon as practicable.

23. The General Manager then made a detailed report regarding the future domestic product.

24. The Treasurer reported that a substantial amount of money had been taken out of Czechoslovakia through Turkey; that most of the money belonged to the Corporation and a small amount to various producers.

25. Mr. Schwartz stated that he wished it placed on the record that on behalf of Mr. Chaplin he strenuously and vigorously opposed payment of the Producers' Fund for any period prior to January 1, 1939.

26. The General Manager read to the meeting a letter from the Wanger organization requesting anticipation

of payments in the same manner as payments were being anticipated to the Goldwyn organization and Korda. Upon motion duly made and seconded, it was unanimously

RESOLVED, that Mr. Wanger's request be granted on ~~all~~ payments up to and including December 31, 1939, in the same manner as the payments were being anticipated to the two other producers.

27. The General Manager then reported that he had been authorized to turn over the life insurance policy on the life of Joseph M. Schenck upon payment to the Corporation of the cash surrender value and an additional bonus of $10,000. and that Mr. Nicholas Schenck had intended to take over this insurance. However, he had now received word from Mr. Nicholas Schenck that he was not interested in taking over the insurance. It was the consensus of the meeting that the insurance was a valuable asset and should be retained. The General Manager reported, however, that he had written to Mr. Joseph Schenck regarding Mr. Nicholas Schenck's decision.

28. Mr. Raftery reported that the United States Government had filed an information at Los Angeles, California, and that United Artists had been named as one of the defendants; that in addition the following

individuals had been named as defendants:

Murray Silverstone
Jack Schlaifer
Ben Fish
E. M. McLean,

as well as a former employee, George J. Schaefer.

It was Mr. Raftery's recommendation that Loyd Wright be retained as local counsel to represent United Artists Corporation and the individual defendants. He stated that he personally would leave for Los Angeles immediately following the argument of the Schine case in Buffalo on October 2, so as to begin the preliminary work with local counsel for the preparation of the defense of this criminal contempt. He also reported that he would stop off at Oklahoma City on his return and confer with local counsel in the Griffith case, as well as interview the Branch Managers and investigate the facts in each of the Griffith situations.

Upon motion duly made and seconded, it was

RESOLVED, that Loyd Wright be retained and that notice be given to each of the individual defendants that the Corporation would secure counsel to represent them without expense to the individuals in the said proceedings.

29. It was brought to the attention of the meeting

that Arthur Silverstone, who had been for fifteen years the top salesman for the British subsidiary, was visiting in this country at the time war broke out, and that he could not obtain a visa to return to England; that Mr. Gold had stated he could use Mr. Silverstone as his Assistant in Eastern Sales. After discussion, it was moved and seconded that Mr. Arthur Silverstone be employed, until such time as he could return to England, in the capacity of Assistant to Mr. Gold or in such other capacity as the Corporation may decide to place him, at a salary of $300. per week, this amount being considerably less than his present English salary.

30. The Treasurer reported that the worldwide profit for the Corporation, before Producers' Fund calculations, as of the end of July, was estimated at $489,000.

31. The General Manager reported that the Bank of America, assignee of Four Feathers, had consented to the sum of $15,000. being advanced on FOUR FEATHERS to the Producer, to be treated as an advertising item and to be deducted by the Corporation as a first charge on the Producer's receipts. The General Manager consulted the individual directors, who approved this loan of $15,000. on FOUR FEATHERS on the basis of the above-mentioned security.

The action of the General Manager was ratified.

32. The General Manager reported that the following minutes were received from subsidiaries:

(a) Minutes of Board Meeting of Les Artistes Associes, France, held July 5, 1939.

(b) Minutes of Ordinary Annual General Meeting of Les Artistes Associes, France, held July 5, 1939.

(c) Minutes of Meeting of Directors' Proxies of United Artists (Australasia) Ltd. Pty. held May 30th, 1939.

33. The General Manager reported that the vacancy caused by Mr. Mulvey's resignation from the Wanger Company Board had not yet been filled. The matter was tabled.

There being no further business before the meeting, upon motion duly made and seconded, the same adjourned.

_____

Secretary

September 21, 1939.

The following is the resolution referred to in Item 5 of the preceding minutes:

RESOLVED, that the corporation employ Price, Waterhouse & Company of New York City as auditor, pursuant to the provisions of Section 13, of Chapter 181, General Law, Ter. Ed. of the Commonwealth of Massachusetts.

PLEASE TAKE NOTICE, that due to the absence of the General Manager, the regular monthly meeting of the Board of Directors of UNITED ARTISTS CORPORATION will not be held on October 3, 1939, but will be held on Tuesday, October 17, 1939, at 2:30 P.M., at the offices of the Corporation, 729 Seventh Avenue, New York City.

Dated: New York, September 29, 1939.

_____
Secretary

MINUTES OF REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

An adjourned regular monthly meeting of the Board of Directors of United Artists Corporation was held on Tuesday, October 17, 1939, at 2:30 P.M.

There was present:

Mr. Dennis F. O'Brien.

Due to the lack of quorum, the meeting was adjourned until Monday, October 23, 1939, at 2:30 P.M.

Secretary

October 23, 1939.

MINUTES OF ADJOURNED REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

An adjourned regular monthly meeting of the Board of Directors of United Artists Corporation was held at the offices of the Corporation, 729 Seventh Avenue, New York City, at 2:30 P.M., on October 23, 1939, pursuant to the adjournment of the meeting of October 17, 1939.

There were present:

Mr. Dennis F. O'Brien
Mr. Charles Schwartz
Mr. Emanuel Silverstone
Mr. James Mulvey,

constituting a quorum of the directors of the Corporation.

There were also present:

Mr. M.Silverstone,	General Manager,
Mr. H. J. Muller,	Treasurer,
Mr. Lowell Calvert,	of Selznick International Pictures, Inc.
Mr. Edward Raftery,	Secretary.

Mr. O'Brien acted as Chairman of the meeting, and Mr. Raftery ac ted as Secretary.

1. Mr. Raftery reported that copies of the minutes of the meetings of the Board of Directors held on September 11,

1939, and September 21, 1939, had been sent to all parties in interest. It was moved and seconded that the reading of the said minutes be dispensed with and that said minutes be approved.

2. The General Manager reported that he had received a letter from Miss Pickford requesting that Mr. Herbert H. Maass be elected as a director in the place and stead of Mr. Theodore Caruso. The secretary stated that under the By-Laws a meeting of stockholders would have to be convened for this purpose, and that the annual meeting had already been called for November 14, 1939, at 3 P.M., and at that time Mr. Maass could be elected a director.

3. The General Manager stated that he had received the following requests for distribution:

(a) MILTON M. COHEN, re series of Shorts reference ROMANCE OF INDUSTRY and SYMPHONY ORCHESTRA.

(b) BERTRAM S.NAYFACK, on behalf of SEYMOUR NEBENZAHL, for one feature picture.

(c) RAYMOND FRIEDGEN, for one to 3 pictures to be produced and directed by Milestone.

(d) HARRY WURTZEL, for series of pictures to be produced by Argosy Corp.- 2 of which to be directed by John Ford and 6 pictures to be produced or co-produced by Ford but not directed by him, at the sole discretion of Argosy. Contract with Ford to be non-exclusive.

(e) GEORGE E. KANN, for series of Shorts.

(f) HAROLD ORLOB, for picture LISTEN LUELLA-Musical.

It was the General Manager's recommendation that the Cohen, Nebenzahl, Friedgen, Kann and Orlob requests be refused, and that the Wurtzel request be tabled for further consideration.

4. The General Manager stated that he had received from David L. Loew a request to modify the proposed distribution agreement between Mr. Loew and United Artists Corporation in the following respects: That is, the minimum negative cost be reduced from $500,000 to $400,000., with the additional proviso that Mr. Loew was toreceive no salary as part of the $400,000. and that Mr. Al Lewin, who had formerly been associated with the late Irving Thalberg in the production of such important motion pictures as "MUTINY ON THE BOUNTY", etc., would act as Associate Producer with Mr. Loew and that as part of the $400,000. Mr. Lewin's compensation would not exceed $25,000.

Upon motion duly made and seconded (Mr. Mulvey not voting), it was

RESOLVED, that the said agreement be modified as above provided, and that it be further modified to change the commencement date from September 1,1939, to November 1, 1939, and that the

agreement be further amended so as to provide that the first arbitrator will be Henry Ginsberg, the second, Joseph M. Schenck, and the third, Dr. A. H. Giannini.

5. It was then reported to the meeting that Mr. Joseph M. Schenck, through his secretary, had advised the Corporation that he was not interested in the purchase of the life insurance policies held by the Corporation on his life.

6. It was then reported that the Corporation had resigned from the Hays Organization in Canada as of September 22, 1939.

7. The next matter brought up for discussion before the meeting was the question of economies. The General Manager read to the meeting the letter dated October 23, 1939, addressed to the Corporation advising it of the fact that he had voluntarily accepted a 25% reduction in salary and setting forth the terms under which he had voluntarily accepted such reduction. The letter and its contents was approved and accepted unanimously by the meeting and directed to be filed with the Treasurer.

8. The General Manager also reported that all other executives of the Corporation in the domestic field earning $500. or more per week and all executives in the foreign field earning $250. or more per week had accepted an approximate 20% reduction in salary.

8. There was then a long discussion about the possibility of reducing advertising costs, as well as the cost of prints, by reducing the number of prints. The General Manager stated that Mr. Harry Buckley had already held a meeting with the producers' representatives on the print question, and he felt certain there would be a substantial reduction in the number of prints.

9. There was then a long discussion regarding advertising costs, trade papers advertising, etc., and it was the consensus of the meeting that every economy possible, consistent with good business, should be effected, but such economies in no wise should be put in which, in the opinion of the Corporation, would affect the revenue to be secured from any of the producers' pictures.

10. There was then reported that there had been a 40% voluntary reduction in Hays Organization dues and a 20% reduction in the Copyright Protection Bureau dues.

11. The next report was regarding the developments in the foreign situation. A more optimistic view regarding conditions in England was given the Board by the General Manager; that theatres were now operating and that September played and earned in England was approximately 75% of anticipated revenue notwithstanding a full week's black-out in the British Isles.

The report regarding France was that business was practically at a standstill.

There was a general discussion regarding the other foreign territories.

12. There was then read to the meeting a letter from Mr. Archibald of the British subsidiary, regarding his stock ownership in the Odeon company. The directors were satisfied with the explanation given therein and the letter was ordered filed with the Treasurer.

13. The next matter discussed was the proposed Paramount-Odeon deal. A cable from Mr. Archibald was read, indicating that the proposed deal whereby Odeon was to take over certain of the Paramount Theatres located in England was still open. The General Manager read to the meeting cables that he had sent early in August protesting vigorously against the proposed deal; also correspondence with Archibald on this subject. Mr. Schwartz expressed the opinion that the Corporation should again go on record against such a deal, and the General Manager stated that he would send an additional cable immediately after the meeting, reiterating his former protests that the deal was not acceptable on a business basis, and even if it were, with war conditions the deal should not be consummated.

14. The General Counsel, Mr. Dennis O'Brien, reported that the plaintiff who had lost the decision in the Circuit Court of Appeals in the case of Barry v. Howard Hughes and United Artists Corporation ("HELL'S ANGELS") had made an application for a writ of certiorari to the Supreme Court and was now awaiting decision.

15. The General Manager read a request from Reliance Pictures for the return of certain of their photoplays prior to the expiration of United Artists Corporation's distribution rights. After discussion the matter was tabled.

16. The General Manager's expense account for his recent trip to California was submitted to the meeting and unanimously approved.

17. The Treasurer presented to the meeting the Estimated Profit and Loss Statement as of September 2, 1939. Copies of same were directed to be sent to each of the directors.

18. The qestion of an interim dividend of the English company was then discussed, and it was the consensus of the meeting that such dividend should be limited to the cash available for dividend purposes at the present time.

19. The Treasurer stated that at the directors' meeting held September 11, 1939, approval was given of the telegram sent by the General Manager to Richard Rowland regarding an agreement to distribute one photoplay to be produced by Mr. Rowland and with certain options on the part of the corporation to acquire additional photoplays. The contract as finally drawn provides for a minimum cost of $550,000 whereas a minimum cost of $650,000. was provided in the telegram. The contract as finally drawn provides for Archie Mayo or such other director as is approved by the Corporation, whereas only Archie Mayo was stipulated in the telegram.

Upon motion duly made, seconded and adopted (Mr. Mulvey not voting) such changes were approved.

20. The Treasurer reported that amendatory contracts which provide, effective January 1, 1938, for 75-25 terms in Canada and England and for the Producers' Fund have been signed with The Pickford Corporation, Walter Wanger Productions, Incorporated and Hal Roach Studios, Inc.

21. The Treasurer reported that the sum of $200,000 that the Corporation received from Walter Wanger Productions, Incorporated, on account of the loan indebtedness has been applied as follows:

$41,286.11 in payment of accrued interest to September 18, 1939.

$158,713.89 against the principal of $640,000.

Mr. Ericksen objects to this application and states that it was his understanding with Mr. Silverstone the entire $200,000. should be applied against the principal.

It was the consensus of the meeting that Mr. Ericksen's contention was correct and that the $200,000. should be applied against principal.

22. The Treasurer submitted a bill received from Price, Waterhouse & Co. in the sum of $9645.30, representing charges for accounting services from July 1, 1938 to September 30, 1939.

It was moved, seconded and unanimously

RESOLVED, that said bill be paid.

23. At the meeting held September 11th the Treasurer reported upon the recent India Income Tax amendments which were effective beginning with the year 1938. The question now arises concerning withholdings from producers for possible Income Taxes on producers' share. Heretofore the Corporation has been withholding 20% to 25% of the producers' share for possible Income Taxes, except in the case of stockholder producers and certain other producers who signed guarantees.

The new rates of tax reach a maximum of 78% for American companies and 28% for British companies and if

complete world-wide information is not supplied by each producer in proper form the allocated portion of negative cost might be disallowed.

It was the consensus of the meeting that the Treasurer should furnish each producer's representative with a full statement regarding this situation, so that it could be disposed of at the next meeting.

24. A report was then rendered regarding the situation in Prague. It was the consensus of the meeting that nothing should be done regarding the situation.

25. Mr. Muller reported that after a canvass of the members of the Board of Directors, a recommendation was made to the Board of the Canadian subsidiary for the declaration of a dividend in the amount of 25,000 Canadian Dollars.

26. Stock Certificates of Continental Subsidiaries: At the meeting of the Board of Directors held August 4th, 1938, Mr. Raftery was instructed to notify Coudert Bros., Paris, France to send all shares in their possession to Mr. Quennell in London to be deposited with the Bank of America, London, subject to withdrawal only by resolution of the Board of Directors of United Artists Corporation of Delaware.

The Treasurer reported that under date of August 10, 1939, Coudert Bros. advised United Artists Corporation that they sent on August 8, 1939, to Mr. Quennell all of the Continental stock certificates, except those of the French, Czechoslovakian and Spanish subsidiaries.

Under date of September 11, 1939, Slaughter and May advised the Corporation that the stock certificates sent to them August 8th by Coudert Bros. have now been deposited with the Bank of American, London, subject to withdrawal by resolution of the Board of Directors of United Artists Corporation of Delaware.

Under date of September 12, 1939, Bank of America sent a safe custody receipt for the above certificates to United Artists Corporation.

27. Stock Certificates of South Africa: The Treasurer reported that United Artists Corporation received from Cliffe, Dekker, and Todd, the Corporation's South African attorneys, stock certificates covering 1,000 shares of £1 each of United Artists Corporation (South Africa) (Proprietary) Limited, as follows:

Certificate No.	No. of Shares	In the Name of
1	1	Carl Frederick Todd-with transfer signed in blank.
2	1	James Gordon Dekker-with transfer signed in blank.
3	998	United Artists Corporation of Delaware.

28. The Treasurer reported that there had been received minutes of meeting held July 5th, 1939, of Directors' Proxies of United Artists (Australasia) Pty. Ltd.

29. The Treasurer reported that the Hays Organization requests payment of the following items:

LaCrosse v. Paramount,et al.(Wisconsin)	$455.65
Adelphi v. Paramount, et al.(Chicago)	506.01
Argentine 20% Tax on Profits (1931)	10.74
Millinocket v. Kurson et al.)	
Millet v. Kurson, et al.) Burlington	157.50
Bini Case (Argentine)	32.11
Bair v. Metro, et al. (Indianapolis)	164.81

Mr. Raftery reported that the Hays Organization requests payment of the following additional items:

U.S. v. Balaban, et al. (Chicago)	$154.20
Gorham v. Kurson (Burlington)	33.06

Mr. Raftery also requested approval of the payment of the following item;

Amount advanced by Sonnenschein,Berkson, Lautmann, Levinson & Morse in U. S. v. Balaban (Chicago) to Special Master	$ 83.34
Disbursements of Sonnenschein, Berkson, Lautmann, Levinson & Morse in U. S. v. Balaban	143.07

Payment of all of the foregoing items was approved.

30. The Treasurer stated that a report from Mr. Kastner indicates that the governmental regulations necessitate the making of pictures in Spain in order to obtain permission to distribute United Artists pictures in Spain. Kastner worked out a tentative plan with a Spanish government representative under which United Artists would be permitted to distribute twenty pictures provided we make two Spanish pictures in Spain during an 18 month period at a cost of not less than 800,000 Pesetas for both.

United Artists Corporation has in Spain approximately 550,000 White Pesetas, most of which is owing to producers. Under Kanstner's arrangement with the Spanish government, the foreign exchange secured from the distribution of the Spanish pictures outside of Spain is to be prorated amongst the producers of the twenty pictures imported, in accordance with the credit balances produced in Spain by those twenty pictures. Some arrangement would have to be made to reimburse the producers whose money is used in production. Mr. Kelly plans to take this matter up with the various producers but wishes the Board of Directors to agree to invest the United Artists' or Export's share of the White Pesetas on hand, provided the producers agree to the plan.

Mr. Kelly's recommendation was unanimously approved.

31. The Treasurer reported that in Continental Europe the film rental bank accounts have been designated as No. 1 Accounts and have been subject to London signatories. Because of the situation caused by the war it was found advisable to open up No. 3 Bank Accounts which are subject to the signatures of local employees. London suggests as a safeguard that the Corporation supply the names of officials in New York who customarily sign checks and have their signatures placed on the following bank accounts in addition to the local signatures:

Brussels	Credit du Nord Belge
Geneva	Credit Suisse
Stockholm	Skandinaviska Banken
Copenhagen	Private Bank of Copenhagen

It was unanimously agreed that there should be added the signatures of A. W. KELLY, H.D. BUCKLEY, P.D. O'BRIEN, H. J. MULLER, and that the No.3 Account be withdrawable by any two of these signatures.

32. The Treasurer reported that a cable from London dated October 20, advises that they have a possibility of disposing of Lire 600,000 representing present available bank balance at the rate of 225 Lire equals One Pound, which is approximately 1.78 cents. Recently Mr. Kelly received a visit from Mr. Luporini and a proposal to buy from us 3,000,000 Lire at 2¼, but he has received no further

definite advice from Mr. Luporini.

It was unanimously agreed that Mr. Kelly be authorized to sell the Corporation's share of the lire at approximately 1.78 cents or better.

33. Mr. Raftery reported to the meeting that following instructions given at the last meeting, he had communicated with Mr. Quennell, and had received word from Mr. Quennell that Sir Connop Guthrie had resigned from the Board of Directors of United Artists Corporation, Ltd. and that Mr. Stephen Pallos had resigned from the Board of United Artists (Export) Ltd. He also stated that he had received a letter from Mr. Quennell in answer to his communication, in which Mr. Quennell approved the engagement of Mr. Guedalla to handle the tax situation in London.

34. Mr. Mulvey stated that on behalf of the Goldwyn company he wished to make demand for payment to Samuel Goldwyn, Inc. of its share of the Producers' Fund. Counsel for the Corporation asked Mr. Mulvey if he had received the proposed agreement under which the Goldwyn company would become entitled to the 5% reduction in England, the Producers' Fund, and the partial waiver of the favored nation clause in consideration of such concessions by the company. It was further stated that the Goldwyn company's share of the monies, computed on the assumption that it was going to sign the agreement which the other producers had signed, had been set aside, and payments

were being made to the other producers only as and when the agreements were signed.

Mr. Mulvey stated that the Goldwyn company did not intend to sign said agreement.

There being no further business before the meeting, upon motion duly made and seconded, the same adjourned.

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Secretary

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS OF

UNITED ARTISTS CORPORATION

PLEASE TAKE NOTICE that the annual meeting of stockholders of UNITED ARTISTS CORPORATION, will be held on Tuesday, November 14, 1939, at 3:00 o'clock in the afternoon, at the offices of the Corporation, 729 Seventh Avenue, New York, New York, pursuant to Article III, Section 1, of the By-Laws of the Corporation.

Dated: New York, October 17, 1939.

Paul D. O'Brien
Assistant Secretary

AFFIDAVIT OF MAILING NOTICES

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

PAUL D. O'BRIEN, being duly sworn, deposes and says: That he is the Assistant Secretary of UNITED ARTISTS CORPORATION, a corporation of the State of Delaware; that on the 17th day of October, 1939, he caused a notice of annual meeting of stockholders of said corporation, a copy of which is hereto annexed, to be mailed in a sealed wrapper, postage prepaid, addressed to each stockholder of record of said corporation at his post office address as the same appears on the books of the said corporation.

Paul D. O'Brien

SWORN TO BEFORE ME THIS
17TH DAY OF OCTOBER,
1 9 3 9

William E. McMahon

Notary Public

[illegible]

LIST OF STOCKHOLDERS TO WHOM NOTICES SENT:

The Pickford Corporation
1041 North Formosa Avenue
Hollywood, California

The Elton Corporation
1041 North Formosa Avenue
Hollywood, California

Mr. Charles Chaplin
1416 North La Brea Avenue
Hollywood, California

Mr. Samuel Goldwyn
7210 Santa Monica Boulevard
Hollywood, California

Samuel Goldwyn, Inc.
729 Seventh Avenue
New York, New York

Mr. Alexander Korda
c/o London Films
22 Grosvenor Street, W. 1.
London, England

and

Mr. Alexander Korda
c/o London Films
729 Seventh Avenue
New York, New York

P R O X Y

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, THE ELTON CORPORATION, a corporation, holder of four thousand (4,000) shares of the stock of United Artists Corporation, a corporation of the State of Delaware, does hereby appoint DENNIS F. O'BRIEN, its true and lawful attorney with full power of substitution and revocation, for it and in its name, to vote as its proxy upon all the stock held by it in the United Artists Corporation, at the annual meeting of stockholders of United Artists Corporation to be held on November 14, 1939, at 3:00 P.M., and any adjourned meetings thereof; hereby ratifying and confirming all that said attorney may lawfully do in the premises.

WITNESS the execution of this proxy by the said THE ELTON CORPORATION, this 7TH day of November, 1939.

THE ELTON CORPORATION

By Douglas Fairbanks
Douglas Fairbanks,
Treasurer.

PROXY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, THE PICKFORD CORPORATION, a corporation, holder of four thousand (4,000) shares of stock of United Artists Corporation, a corporation of the State of Delaware, does hereby appoint Paul O'Brien its true and lawful attorney with full power of substitution and revocation, for it and in its name, to vote as its proxy upon all the stock held by it in the United Artists Corporation, at the annual meeting of the stockholders of United Artists Corporation to held on the 14th day of November, 1939 at 3:00 o'clock in the afternoon and any adjourned meetings thereof; hereby ratifying and confirming all that said attorney may lawfully do in the premises.

WITNESS the execution of this proxy by the said THE PICKFORD CORPORATION, this 9th day of November, 1939.

THE PICKFORD CORPORATION,

BY Mary Pickford

ATTEST:

Bertha Dougherty

PROXY

KNOW ALL MEN BY THESE PRESENTS, That the undersigned, CHARLES CHAPLIN, holder of four thousand (4,000) shares of the stock of UNITED ARTISTS CORPORATION, a corporation of the State of Delaware, does hereby appoint CHARLES SCHWARTZ, his true and lawful attorney with full power of substitution and revocation, for him and in his name, to vote as his proxy upon all of the stock held by him in the United Artists Corporation at the annual meeting of stockholders of United Artists Corporation to be held on November 14, 1939, at 3:00 P.M., and at any adjourned meetings thereof; hereby ratifying and confirming all that said attorney may lawfully do in the premises.

WITNESS the execution of this proxy by the said CHARLES CHAPLIN this 7th day of November, 1939.

Charles Chaplin

P R O X Y

The undersigned shareholder of UNITED ARTISTS CORPORATION, a Delaware corporation, hereby nominates, constitutes and appoints JAMES A. MULVEY the lawful attorney and proxy of the undersigned, with full power of revocation, to vote for and in the name, place and stead of the undersigned, for a period of one (1) year from the date hereof, unless this proxy be sooner revoked, any and all shares of stock of said corporation at any time standing in the name of the undersigned, at any and all meetings of the shareholders of said United Artists Corporation, and at any and all adjournments of such meetings which may be held during such period of one (1) year, with the same force and effect as if the undersigned were present and personally voting; and the undersigned hereby ratifies and confirms all that the undersigned's said attorney and proxy may do by virtue hereof.

The undersigned hereby revokes all proxies and powers of attorney heretofore given by him to vote upon or act with respect to said shares.

EXECUTED at Los Angeles, California, this 23rd day of October, 1939.

Samuel Goldwyn Jr.

(Samuel Goldwyn)

Witness:

James Roosevelt

MINUTES OF ANNUAL MEETING OF STOCKHOLDERS

-of-

UNITED ARTISTS CORPORATION

Pursuant to notice, the Stockholders of United Artists Corporation met for their annual meeting on Tuesday, November 14, 1939, at the hour of 3:00 o'clock P.M., at the offices of the Corporation, 729 Seventh Avenue, New York City.

The meeting was duly called to order. The Secretary of the Corporation stated that there had been filed with him written proxies for the following:

The Pickford Corporation, by Paul D. O'Brien (proxy)	- 4000 shares.
The Elton Corporation, by Dennis F. O'Brien (proxy)	- 4000 shares
Charles Chaplin, by Charles Schwartz (proxy)	- 4000 shares
Samuel Goldwyn, by James Mulvey, (proxy)	- 4000 shares
Alexander Korda and London Film Productions, Ltd., by Emanuel Silverstone, (proxy)	- 4000 shares
Total	20000 shares

All of the proxies above named were present. There were also present:

Mr. M. Silverstone, General Manager
Mr. E.C. Raftery, Secretary.

Mr. Dennis F. O'Brien was duly elected Chairman of the meeting and Mr. Edward C. Raftery was elected Secretary thereof.

The Secretary presented to the meeting due call of the meeting and stated that all proxies had been duly examined.

It was moved, seconded and unanimously

RESOLVED, that the reading of the minutes of the previous meeting be dispensed with.

An informal report was submitted by the General Manager of the Corporation, and the Treasurer reported that he had heretofore submitted to all present a summary of the Price, Waterhouse statement and breakdown.

The next business before the meeting was the election of directors for the ensuing year.

The following names were placed in nomination as directors of the Corporation:

Dennis F. O'Brien
Charles Schwartz
James Mulvey
Emanuel Silverstone
Herbert H. Maass.

There being no further nomination the polls were declared closed by the Chairman.

Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that the Secretary be and he hereby is directed to cast a ballot for the election of the following-named persons as directors of the Corporation:

Dennis F. O'Brien
Charles Schwartz
James Mulvey
Emanuel Silverstone
Herbert H. Maass.

The Chairman announced that the next order of business was the election of officers of the Corporation.

Upon motion duly made, seconded and upanimously adopted, it was

RESOLVED, that the following persons be elected to the respective offices set opposite their respective names, to wit:

Vice President	- Arthur W. Kelly
Vice President	- Harry D. Buckley
Vice President	- L. J. Schlaifer
Vice President	- Harry Gold
Treasurer	- H. J. Muller
Secretary	- Edward C. Raftery
Assistant Secretaries	- H. J. Muller
	Paul D. O'Brien
Assistant Treasurer	N. A. Thompson

There being no further business before the meeting, upon motion duly made and seconded, the meeting adjourned.

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Secretary

PLEASE TAKE NOTICE that the regular monthly meeting of the Board of Directors of UNITED ARTISTS CORPORATION, will be held at the offices of the Corporation, 729 Seventh Avenue, New York City, New York, on Tuesday, November 14, 1939, at 3:30 o'clock in the afternoon.

Dated: New York, November 3, 1939.

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Secretary

MINUTES OF REGULAR MONTHLY MEETING OF BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

The regular monthly meeting of the Board of Directors of United Artists Corporation was held at the offices of the Corporation, 729 Seventh Avenue, New York City, on Tuesday, November 14, 1939.

There were present:

Messrs. Dennis F. O'Brien
Charles Schwartz
James Mulvey
Emanuel Silverstone
Herbert H. Maass,

constituting all of the directors of the Corporation.

There were also present:

M. Silverstone,	General Manager,
Lowell Calvert,	of Selznick International Pictures, Inc.,
H. J. Muller,	Treasurer,
Edward C. Raftery,	Secretary.

Mr. O'Brien acted as Chairman of the meeting and Mr. Raftery acted as Secretary.

1. Mr. Raftery read to the meeting a letter received from Mr. James Mulvey, containing comments and suggestions

as to the minutes of previous meetings.

Upon motion duly made and seconded, it was

RESOLVED, that the minutes of the previous meetings be amended to conform with the requests contained in Mr. Mulvey's letter, and in the following particulars:

Regarding the meeting held on October 23, 1939:

"Item 1 refers to the Minutes of the prior meeting and states that the reading of the said minutes be dispensed with and that they be approved. You will recall that I suggested a correction of Item #25 in the minutes of the prior meeting, which reads that Mr. Schwartz stated that he wished it placed on the record that on behalf of Mr. Chaplin he strenuously and vigorously opposed payment of the Producers' Fund for any period prior to January 1, 1939.

When Mr. Schwartz made that statement, I reminded him that he had voted in favor of the Selznick contract which provided for the Producers' Fund commencing January 1, 1938, and Mr. Schwartz replied that if he had voted favorably on that point, he did not remember it.

I would like my comment to be made part of the minutes of that meeting and when at the meeting of October 23 the matter of the minutes of the prior meeting was brought up, I suggested this change and it was agreed that it should be made.

Item #13 relates to the Paramount-Odeon deal. The suggestion was made by Mr. Schwartz that the cable sent by Mr. Silverstone, as recited in the minutes, should be sent to Archibald with instructions that it should be read to each member of the Board of the Odeon Cinema Holdings Ltd. I think these instructions should be contained in the minutes.

Item #34 - recites the statement made by me on behalf of the Goldwyn company for payment of its share of the Producers' Fund. The minutes provide at the end

that I stated 'that the Goldwyn company did not intend to sign said agreement.' My statement was that 'the Goldwyn company did not intend to sign any agreement as it was entitled to its share of the Producers' Fund under the provisions of the "favored-nation" clause in its distribution contract'."

(Mr. Silverstone read to the meeting a cable that he had sent to Archibald regarding the Paramount-Odeon deal which included all of the features suggested by Mr. Mulvey and the cable was approved.)

2. The General Manager stated that he had a request from Henry Herzbrun for distribution of a picture based on the story "YOU ONLY MARRY ONCE"; that he had given the matter full consideration and did not consider it the type of picture that United Artists Corporation should take on for distribution. The General Manager's recommendation was approved.

3. The General Manager also stated that he had a request from Chimpsey Enterprises for the distribution of a series of animated shorts. His recommendation was that this application be refused, as he did not consider the pictures suitable for United Artists Corporation's distribution.

4. The General Manager also reported that he had been in conference with Mr. Jed Harris considering a series of pictures to be produced by Lewis Milestone; that he was not in a position to make any recommendations, as the conferences were to be continued.

5. The General Manager stated that the Hal Roach contract called for a series of Laurel and Hardy four-reelers; that it was the opinion not only of the producers but also of the distributor that these four-reelers should be increased to feature-length pictures. Authority was therefore given to modify the Hal Roach contract so as to provide for this change in type of Laurel and Hardy pictures.

6. The Treasurer called to the attention of the meeting that at a meeting held July 11, 1939 approval was granted to a compensation deal whereby £8500 was to be received for approximately 2,350,000 Czech Crowns. One-half of this transaction was completed before the war. Otto Mantell, the Corporation's representative, had recently returned to Prague and had cabled as follows:

> "Entire new deal necessary Offer half previous rate Cable if accept";

that after approval by the principal producers and four of the directors who were contacted personally, United Artists Corporation had cabled its acceptance.

Ratification therefore was given by all of the directors of this approval, with respect to the Corporation's share.

7. Mr. Raftery reported that the Supreme Court

of the United States had refused certiorari in the case of Barry v. Hughes ("HELL'S ANGELS"), thus sustaining the action of the United States Circuit Court of Appeals in affirming the decision in favor of the defendants.

8. The following payment to the Hays Organization was approved: The sum of $163.53, representing United Artists' pro rata share in the matter of Golden v. Vitagraph, et al. (Indianapolis).

9. The following legal payments were approved: (1) Disbursements of Sonnenschein, Berkson, Lautmann, Levinson and Morse in re U. S. v. Balaban, et al. in the sum of $9.97; (2) Retainer to Judge C. L. Cornelius, Nashville, in re U. S. v. Crescent Amusement Co., in the sum of $833.33.

10. The General Manager made a very detailed report regarding the Odeon situation, with particular reference to the Odeon negotiations in regard to a certain group of Paramount theatres. The Board instructed the General Manager again to cable Mr. Archibald reiterating the Board's complete disapproval of continuing negotiations or in any way dealing in or with these theatres.

In connection with this Odeon situation, counsel was instructed to write to Slaughter and May and instruct

them that the 4,000 Preference Shares in Odeon Theatres, Ltd. which had been set aside by Odeon Cinema Holdings Ltd., as compensation to Mr. Archibald, and the stock issued to Trucidator Nominees, Ltd., should be forthwith returned to Odeon Cinema Holdings, Ltd. and the transfer cancelled, and that if any additional compensation is to be paid to Mr. Archibald, that is a matter to be decided by United Artists Corporation of Delaware, both as to the nature of the compensation and the amount, if any.

It was the sense of the meeting that Mr. Muller should prepare copies of all the pertinent documents and letters and send them as quickly as possible to each of the directors for their consideration, together with photostatic copies of the annual statement of the Odeon Public Company, and that a special meeting of the Board should be held in the very near future to give full consideration to this matter only.

11. General reports regarding the foreign situation were made by the General Manager and the Treasurer; that bulletins are to be issued by the Foreign Department from time to time as changes develop in the foreign situation, and that these bulletins were being sent to the producers and to the Board.

12. Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that the Vice-President and Secretary file with the Secretary of State of the State of Colorado certificate of renewal, signed by a Vice-President and attested by the Secretary under the corporate seal of the Corporation.

13. The Treasurer reported that minutes had been received from subsidiary corporations and that they were available in his office for the inspection of the members of the Board.

14. The Treasurer further reported that the English subsidiary had cabled that there was no cash available at the present time for the declaration of a dividend.

15. The General Manager reported that Mr. Guedalla had agreed to act for the Corporation in connection with the English tax situation, and that he had received full instructions to secure, if possible, from the Government a new arrangement regarding the transmittal of 12½% commission, 8% tax free, to the Delaware company; that if he could not secure such an arrangement, he should secure the best arrangement possible and submit it to the Board for its further consideration.

16. The Treasurer reported that there had been received in connection with the Richard Rowland picture,

"THREE CHEERS FOR MISS BISHOP", an assignment and amended assignment, both of which had been approved by counsel, assigning the proceeds to the Security-First National Bank of Los Angeles, and the Guaranty Trust Company of New York.

17. Whereas, the lease of the Montreal exchange, for which the Corporation has been paying $1800. per year was about to expire; and

Whereas, Mr. Buckley reports that he has been able to negotiate a new lease for a period of five years, at a reduced rental, to wit: $1500. per year.

Now, therefore, be it

RESOLVED, that Mr. Buckley be authorized to consummate said lease at said rental and for said period.

18. It was reported to the meeting that The Elton Corporation had signed its amendatory agreement subscribing to the Producers' Fund and the waiver of the favored nation clause respecting local pictures.

19. The General Manager again presented to the meeting a request from Reliance Pictures (Through Edward Small) for the return of certain pictures before the expiration of the contract period for each respective pictures.

After discussion the matter was tabled until after the first of the year.

20. The General Manager then reported that there had been acquired for distribution in certain Latin-American countries the Spanish language film "LA JUSTICA DE PANCHO VILLA" upon very favorable terms, to wit: 25% in Mexico of the gross, and stockholder-producer terms in other Latin-American countries.

21. The Treasurer reported as follows regarding the Argentine Income Tax situation:

From January 1934 to December 1938 United Artists Corporation paid to the Argentine Government an Income Tax of 5% on 50% of producer's share. This money was withheld from producers. Under a recent law which purports to be a clarification of the old law, the Revenue Department is now claiming 5% of 100% of producers' share for this five year period. The amount involved is 89,000 Pesos and the demand is for payment on or before November 30, 1939, The Corporation's local attorney, Dr. Goytia, recommends that the Corporation refuse payment and submit its objections and intentions in writing and force the Tax Department to take the initiative which will automatically throw the matter into the courts. Mr. Kelly suggests that Dr. Goytia's recommendation be followed.

It was the sense of the meeting that Dr. Goytia's recommendation be followed and authority was so given.

22. The Treasurer further stated that instructions have been issued to secure details by picture of this tax claim so that the amount can be withheld from the respective producers. Mr. Mulvey objected to the corporation withholding for this tax claim and after discussion the matter was submitted to the vote of the directors. Four directors voted in favor of withholding and Mr. Mulvey voted against it.

23. The India Tax was next discussed, and at the request of counsel was tabled for the next meeting.

24. The Treasurer stated that at the director's meeting held December 10, 1938 a resolution was adopted which provided that no more than $2,000 should be advanced to any one producer without the approval of the General Manager. As of November 1, Samuel Goldwyn, Inc. owes the Corporation $9,083.99 which Mr. Mulvey refuses to pay because of claims which he has against us. In addition, he refuses to pay for two telephone calls from London in the amount of £23.6.0. London Film Productions, Ltd. owes the Corporation as at November 1, 1939, $2,140.90.

Mr. Emanuel Silverstone stated that he had written to London regarding the London Film Productions matter; that due to the war, letters have been delayed, but he expected to hear in the very near future.

Mr. Mulvey stated that the Goldwyn company

had, in his opinion, claims against United Artists in excess of the United Artists' claims against Mr. Goldwyn.

A lengthy discussion regarding these claims followed and Mr. Mulvey was asked to submit to his principal the suggestion that a disinterested third party be appointed to pass upon the validity of Mr. Goldwyn's claims.

Mr. Mulvey stated he would submit the question to Mr. Goldwyn and the matter would be considered at the next meeting.

25. The Treasurer submitted Estimated Worldwide Profit and Loss Statement for the 9 months to September 30, 1939, and the Balance Sheet as of July 1, 1939. Copies were given to each of the directors. The cash position of the Corporation as of November 14, 1939, was stated to be approximately $1,457,000.

26. The General Manager read to the meeting a letter from Samuel Goldwyn, Inc. dated November 4, 1939, and also copy of the General Manager's reply dated November 9. It was directed that copies of these letters be attached to the minutes.

There being no further business before the meeting, upon motion duly made and seconded, the same adjourned.

_____
Secretary

SAMUEL GOLDWYN, INC.

729 Seventh Avenue

New York

November 4, 1939.

Mr. Maurice Silverstone
General Manager
United Artists Corporation
729 Seventh Avenue
New York, N.Y.

Mr. Edward C. Raftery
Secretary, United Artists Corporation
c/o United Artists Studio Corporation
1041 N. Formosa Avenue
Hollwyood, California

Mr. Edward C. Raftery
Secretary, United Artists Corporation
729 Seventh Avenue
New York, N.Y.

Gentlemen:

On or about the 12th day of May, 1939, you entered into an agreement, in writing, with Selznick International Pictures, Inc., one of your producers, dated that day, whereunder the distribution agreement theretofore existing between you and the said Selznick International Pictures, Inc. was amended so as to give said Selznick International Pictures, Incl all of the benefits provided for in the so-called Silverstone Plan, also known as the Producers' Fund.

Please be advised that, in our opinion, the said Silverstone Plan has reference to the "handling, distributing, exhibiting and advertising of feature motion picture photoplays, and the charges made by the Distributor in connection therewith" within the meaning of the said terms as used in paragraph "Thirteenth" of the written agreement between us known as our Distribution Agreement with you, to which you and we are parties and which is dated July 22, 1936 and in which you are termed the "Distributor".

Please be further advised that in our opinion the said Silverstone Plan is, and will be, more favorable to us, than are the terms of our present Distribution Agreement so far

as the terms thereof have reference to and provide for the handling, distributing, exhibiting and advertising of feature motion picture photoplays and the charges made by you in connection therewith, and for that reason we have exercised the option conferred upon us in said paragraph "Thirteenth" of said Agreement and do hereby again declare that our said Distribution Agreement is amended so that the said Silverstone Plan, or Producers' Fund, is part of our said Distribution Agreement.

In accordance with the terms of the said Silverstone Plan and in accordance with the written and certified report issued by Price, Waterhouse & Co, dated August 25, 1939, there has been and is due and owing to us under the said Plan the sum of $54,559.26, the immediate payment of which sum is again demanded.

Please be further advised that this notice is sent to you in accordance with subdivision "p" of paragraph "Eleventh" of our said Distribution Agreement, because of your failure to comply with our prior demands for the payment of the said $54,559.26, which failure we have deemed to be, and do hereby repeat is, a material violation by you of the terms of our said Distribution Agreement.

Very truly yours,

SAMUEL GOLDWYN, INC.

By James A. Mulvey

November 9, 1939.

Samuel Goldwyn, Inc.
1041 North Formosa Ave.,
Hollywood, California

Gentlemen:

This will acknowledge receipt of your letter dated November 4, 1939.

You are entirely familiar with the form and substance of the amendatory agreement we made with the Selznick International Pictures Inc., referred to in your letter.

As you know, as a condition to the Selznick company receiving a partidpation in the producers' fund, the Selznick company has agreed under such agreement to modify the so-called favored nation clause contained in its distribution contract with us insofar as local pictures are concerned, all as more fully set forth in such amendatory agreement of May 12, 1939. This agreement was made with the Selznick company in pursuance of certain resolutions passed by the stockholders at the last annual meeting and by the board of directors of the company, subsequent to such meeting, with all of which you are entirely familiar.

We have heretofore furnished you with a proposed amendatory agreement in form and substance similar to the above mentioned amendatory agreement made with the Selznick company. We have informed you that if you will accept the terms of such agreement and execute the same and agree to the provision therein relating to the modification of the favored nation clause as a condition to receiving participation in the producers' fund, exactly in the same manner as in the case of the Selznick company, we are prepared to pay you and we hereby again offer to pay you your proportionate share of the participation in the producers' fund, as computed by Price, Waterhouse & Co.

We are entirely willing, ready and able to give you all the benefits to which you are entitled under the favored nation clause, but all such benefits must be accepted by you on exactly the same conditions as they may be accepted by the producer receiving such terms.

We of course disagree with you that our failure to comply with your prior demands or with the demand reiterated by you in your letter of November 4th constitutes a material violation or any other violation by us of the terms of the distribution contract.

There has been and there is no desire or disposition to withhold from you any moneys. On the contrary, we urge you to sign the agreement forthwith, so that we may clear our accounts by making payment to you of the moneys called for by the Silverstone Plan. This is the same procedure that has been followed with every other stockholder-producer, and there will be no change or deviation from such procedure in your case.

Yours very truly,

UNITED ARTISTS CORPORATION

BY: M. Silverstone

General Manager

(Duplicate original to
Samuel Goldwyn, Inc., Att. Mr. James Mulvey,
729 Seventh Avenue, New York, N.Y.)

December 5, 1939.

MINUTES OF REGULAR MONTHLY MEETING OF BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

A regular monthly meeting of the Board of Directors of United Artists Corporation was held on Tuesday, December 5, 1939, at 2:30 P. M., at the offices of the Corporation, 729 Seventh Avenue, New York City.

Mr. Emanuel Silverstone, being the only director present, the meeting was adjourned until Tuesday, December 19, 1939, at 2:30 P. M., at the same place.

Secretary

NOTICE OF ADJOURNED MONTHLY MEETING OF BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

PLEASE TAKE NOTICE that the adjourned monthly meeting of the Board of Directors of United Artists Corporation will be held at the offices of the Corporation, 729 Seventh Avenue, New York City, on the 19th day of December, 1939, at 2:30 o'clock in the afternoon.

Dated: N. Y., December 6, 1939.

Assistant Secretary

Charge to the account of O'BRIEN, DRISCOLL & RAFFERTY $

CLASS OF SERVICE DESIRED			
DOMESTIC		CABLE	
TELEGRAM		ORDINARY	
DAY LETTER		URGENT	
SERIAL		DEFERRED	
NIGHT LETTER		NIGHT LETTER	
SPECIAL SERVICE		SHIP RADIOGRAM	

Persons should check class of service desired, otherwise the message will be transmitted as a telegram or ordinary telegram.

WESTERN UNION

1206-B

R. B. WHITE, PRESIDENT
NEWCOMB CARLTON, CHAIRMAN OF THE BOARD
J. C. WILLEVER, FIRST VICE-PRESIDENT

CHECK
ACCOUNTING INFORMATION
TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

December 29, 1939.

To Western Union:

Please send the attached telegram, dey letter, to the people listed below:

Charles Schwartz, 1450 Broadway, New York City
James A. Mulvey, 729 Seventh Avenue, New York City.
Emanuel Silverstone, 729 Seventh Avenue, New York City
Herbert H. Mass, 20 Exchange Place, New York City.

Charge to the account of O'BRIEN, DRISCOLL & RAFTERY $

CLASS OF SERVICE DESIRED

DOMESTIC		CABLE	
TELEGRAM		ORDINARY	
DAY LETTER		URGENT RATE	
SERIAL		DEFERRED	
NIGHT LETTER		NIGHT LETTER	
SPECIAL SERVICE		SHIP RADIOGRAM	

Persons should check class of service desired; otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

1206-B

R. B. WHITE, PRESIDENT
NEWCOMB CARLTON, CHAIRMAN OF THE BOARD
J. C. WILLEVER, FIRST VICE-PRESIDENT

CHECK
ACCOUNTING INFORMATION
TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

PLEASE TAKE NOTICE THAT THIS WILL CONFIRM TELEPHONE CONVERSATION AND IS YOUR WRITTEN NOTICE THAT THE REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE HELD ON TUESDAY, JANUARY 2, 1940, AT ELEVEN A.M., AT THE OFFICES OF THE CORPORATION, 729 SEVENTH AVENUE, NEW YORK CITY.

EDWARD C. RAFTERY, SECRETARY

December 19, 1939.

MINUTES OF ADJOURNED REGULAR MONTHLY
MEETING OF THE BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

OoO

An adjourned regular monthly meeting of the Board of Directors of United Artists Corporation was held at the offices of the corporation, 729 Seventh Avenue, New York City, at 2:30 p. m. on Tuesday, December 19th, 1939, pursuant to the adjournment of the meeting of December 5th, 1939.

There were present:

Mr. Dennis F. O'Brien,
Mr. Charles Schwartz,
Mr. James Mulvey,
Mr. Emanuel Silverstone,
Mr. Herbert H. Maass

constituting all of the directors of the corporation.

There were also present:

Mr. M. Silverstone,	General Manager,
Mr. H. J. Muller,	Treasurer
Mr. E. C. Raftery,	Secretary
Mr. P. D. O'Brien,	Assistant Secretary
Mr. A. W. Kelly,	Vice-President

Mr. Dennis F. O'Brien acted as Chairman of the meeting and Mr. Raftery acted as Secretary.

The General Manager reported and the Board of Directors unanimously approved his actions on the following:

1. BANKS' EXTENSION TO EDWARD SMALL

The receipt of an extension agreement from the Banks financing the Small pictures extending the time within which Mr. Small could borrow certain moneys. The papers were submitted to counsel and upon their approval the corporation acknowledged receipt of these documents providing for this extension.

2. "FOUR FEATHERS"- ADDITIONAL ASSIGNMENT.

The corporation received an additional assignment of the producer's share on "FOUR FEATHERS". The Distributor's Acceptance of this additional assignment was submitted to counsel for their approval and upon their approval was executed by the corporation.

3. ROWLAND ASSIGNMENT TO GENERAL SERVICE STUDIOS.

The corporation received a Studio agreement between Richard A. Rowland Productions, Inc. and General Service Studios, providing for leasing his studio and assignment of producer's share to pay for the rental thereof. The Distributor's Acceptance of the assignment was submitted to counsel for approval and upon their approval was executed by the corporation.

4. HAL ROACH- ADVANCE AGAINST FUTURE RENTALS.

The corporation received a request of an advance of $75,000.00 against future rentals on Hal Roach pictures. Each member of the Board of Directors was canvassed individually

and approved of the advance. Under the arrangement this advance is to be recouped beginning with the week of December 11th at the rate of $7500 to $10,000 a week, or in the event that the income from the Roach pictures for any one week is exceptionally large recoupment up to $15,000. This recoupment was to be made out of releases commencing with "HOUSEKEEPER'S DAUGHTER", such request being contained in the letter from the Security First National Bank which was presented to the meeting.

5. LES ARTISTES ASSOCIES, PARIS.

The minutes of the meetings of the Board of Directors held September 15th, 1939 and October 5th, 1939 respectively were received.

6. UNITED ARTISTS (AUSTRALASIA) PTY. LTD.

The minutes of the meeting of the Board of Directors' Proxies held September 12th, 1939 were received.

7. QUEMOS v. WARNER, et al., Newark, N. J.

Payment of United Artists' pro rata share of legal fees due in this case was made.

8. INDIA INCOME TAX.

Detail of the negative cost and other figures which counsel for the corporation and the Treasurer of the corporation deemed necessary were to be secured from the Producers. Until such time as the Producers provide the corporation with the information requested the Treasurer was authorized to withhold the maximum of the possible tax under the India Tax Law.

If the information were provided the corporation then the Treasurer was authorized to withhold from the Producers' share only the minimum tax which might be assessed under the new India Tax Law; provided, however, that in addition to furnishing the information requested of the producers by the Treasurer of the corporation the producers should agree in writing to indemnify the United Artists Corporation against any additional taxes that might be assessed by India in the future, such agreement to be submitted to and approved by counsel for the corporation.

9. VICTORIA FILMS, INC.-(Distribution Agreement)

The distribution agreement dated May 11th, 1939 with Victoria Films, Inc. (Melville A. Shauer) was cancelled due to his illness.

10. "EMPEROR JONES".

The producer requested the return of the distribution rights to United States and Canada of "EMPEROR JONES", which distribution rights have not yet expired. That the request be granted was approved provided the producer executed a general release to United Artists Corporation in a proper document prepared and submitted to the producer by counsel for the United Artists Corporation.

11. LETTER FROM VARIETY.

Letter from Variety, a theatrical publication concerning Billy Bioff. Mr. Silverstone reported that he had talked the matter over with Variety and Variety advised him that the

letter did not concern United Artists Corporation. The letter was referred to co-counsel.

12. HART v. UNITED ARTISTS (Appeal)

The prosecution of the appeal was approved.

13. LEASE OF WAREHOUSE ON WEST 41st STREET

The officers of the corporation were authorized to negotiate and execute an extension of the lease for warehouse space in the warehouse on West 41st Street, New York City.

14. DAVID L. LOEW (Distribution Contract)

This distribution agreement has been executed.

15. ACCOUNTS RECEIVABLE (Stockholder-Producers)

Mr. Muller brought up again before the meeting the question of accounts receivable from stockholder-producers. Mr. Mulvey stated that he had certain set-offs as far as the Goldwyn organization was concerned. Mr. Emanuel Silverstone said he expected to hear from England regarding the London Film Productions account.

The question was tabled for the next meeting.

16. ESTIMATED PROFIT AND LOSS STATEMENT

Mr. Silverstone submitted to each of the directors a copy of the estimated profit and loss statement as of October 28, 1939.

17. ALLOTMENT OF ENGLISH MONEYS

Messrs. Silverstone and Kelly gave a detailed report regarding the proposed allotment of English moneys as worked out by the various companies involved together with rates of exchange to be

used in figuring the allotments.

There was also considerable discussion regarding the method of distributing the moneys to the various producers entitled to share therein. The matter was referred to Mr. Silverstone to work out with the producers.

18. SAMUEL GOLDWYN, INC. SUIT FOR $54,559.26

Mr. Raftery reported that a summons and complaint had been served by Samuel Goldwyn, Inc. for $54,559.26, with interest. The matter was referred to counsel.

19. ODEON THEATRES, LTD.-4,000 shares

Mr. Raftery reported that he had written to Slaughter & May with reference to the 4,000 shares of Odeon Theatres, Ltd. which it had been suggested as compensation for Mr. Archibald, and had instructed Slaughter & May to have the shares forthwith returned to the Odeon Holding Corporation.

20. ODEON MATTERS

(a) MR. GUEDALLA (Representation)

Mr. Silverstone stated that he had telegraphed from California while he was there on his last visit regarding this situation and had been authorized by Directors to engage Mr. Guedalla to represent the corporation in the various Odeon Holdings matters.

(b) PARAMOUNT-ODEON DEAL

Mr. Silverstone advised of the correspondence and cables that have been exchanged and reported that notwithstanding our protests the Paramount-Odeon deal had been consummated.

(c) ODEON CINEMA HOLDINGS,LTD.

There was further discussion regarding the year end and other obligations of Odeon Cinema Holdings Ltd. Mr. Silverstone

was instructed to send a cablegram reflecting the directors' position regarding these matters.

(d) ADDITIONAL CORRESPONDENCE FROM MR. ARCHIBALD:

There was a report regarding additional correspondence from Mr. Archibald, et al. regarding the entire situation.

21. M. SILVERSTONE EXPENSE ACCOUNT:

Mr. Silverstone submitted his expense account on his recent trip to California, which was approved by the Directors.

22. LETTER FROM SAMUEL GOLDWYN, INC.

The General Manager read to the Board letter dated December 18, 1939 received from Samuel Goldwyn, Inc. This letter was referred to counsel.

There being no further business, the meeting was duly adjourned.

Secretary

Scanned from the United Artists collection at the Wisconsin Center for Film and Theater Research.

Digitization and post-production completed in the University of Wisconsin-Madison's Department of Communication Arts, with funding from the Mary Pickford Foundation.

www.marypickford.org

www.mediahistoryproject.org